

improve coverage under the Federal old-age, survivors, and disability insurance system and to remove hardships and inequities, improve the financing of the trust funds, and provide disability benefits to additional individuals under such system; to provide grants to States for medical care for aged individuals of low income; to amend the public assistance and maternal and child welfare provisions of the Social Security Act; to improve the unemployment compensation provisions of such act; and for other purposes; without amendment (Rept. No. 1893). Referred to the House Calendar.

Mr. O'NEILL: Committee on Rules. House Resolution 563. Resolution for consideration of S. 1898, an act to amend the Communications Act of 1934 with respect to the procedure in obtaining a license and for rehearings under such act; without amendment (Rept. No. 1894). Referred to the House Calendar.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 2822. An act for the relief of Low Wing Quey (Kwal); without amendment (Rept. No. 1889). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARR:

H.R. 12684. A bill to prohibit the use in commerce of motor vehicles not equipped with certain automatic warning signal and running light devices; to the Committee on Interstate and Foreign Commerce.

By Mr. BOSCH:

H.R. 12685. A bill relating to the application of the manufacturers excise tax on electric light bulbs in the case of sets or strings of such bulbs; to the Committee on Ways and Means.

By Mr. DORN of New York:

H.R. 12686. A bill to amend the Shipping Act, 1916, to confer authority on the Federal Maritime Board to disapprove agree-

ments amongst common carriers by water where the rate charged thereunder on imports is noncompensatory and substantially contributes to the underselling of American manufacturers; to the Committee on Merchant Marine and Fisheries.

By Mr. DOWDY (by request):

H.R. 12687. A bill to authorize the Board of Parole of the District of Columbia to discharge a parolee from supervision prior to the expiration of the maximum term or terms for which he was sentenced; to the Committee on the District of Columbia.

H.R. 12688. A bill to provide for the establishment of a Juvenile Division within or in connection with the District of Columbia Youth Correctional Center, and to authorize the judge of the Juvenile Court of the District of Columbia to commit to such Juvenile Division, subject to the provisions of the Juvenile Court Act, children 15 years of age or older; to the Committee on the District of Columbia.

By Mr. FORAND:

H.R. 12689. A bill authorizing the Rhode Island Turnpike and Bridge Authority to combine for financing purposes the bridge across the west passage of Narragansett Bay with the Newport Bridge and any other project acquired or constructed by said authority; to the Committee on Public Works.

By Mr. IKARD:

H.R. 12690. A bill to amend subchapter S of chapter 1 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. KING of California:

H.R. 12691. A bill relating to the determination of stock ownership of personal holding companies; to the Committee on Ways and Means.

By Mr. McDOWELL:

H.R. 12692. A bill to require full disclosure of certain expenditures of Government and counterpart funds by Members of Congress, and for other purposes; to the Committee on House Administration.

H.R. 12693. A bill to provide for the appointment by the Board of Commissioners of the District of Columbia of the appointive members of the National Capital Planning Commission, and for other purposes; to the Committee on the District of Columbia.

By Mr. DULSKI:

H.R. 12694. A bill to provide for the issuance of a series of special postage stamps in commemoration of flags of particular significance in the history of the United States of America; to the Committee on Post Office and Civil Service.

#### MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the Virgin Islands memorializing the President and the Congress of the United States to authorize the Department of Defense to exchange a certain tract of land at John Brewer's Bay, St. Thomas, V.I., with the Government of the Virgin Islands, for a tract of land at Estate Bordeaux, St. Thomas, V.I., which was referred to the Committee on Armed Services.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GRANT:

H.R. 12695. A bill to authorize the Secretary of Agriculture to grant an easement over certain lands to the trustees of the Cincinnati Southern Railway, their successors and assigns; to the Committee on Agriculture.

By Mr. METCALF:

H.R. 12696. A bill for the relief of Dr. Hermino Cabrera and his wife, Florea A. Cabrera; to the Committee on the Judiciary.

By Mr. MILLIKEN:

H.R. 12697. A bill for the relief of George Paraskeropoulos; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 12698. A bill for the relief of Peregrina E. Legayada; to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

496. By Mr. CANFIELD: Petition of 650 residents of Passaic County, N.J., urging the enactment of the Forand bill, H.R. 4770; to the Committee on Ways and Means.

497. By Mr. SCHENCK: Petition of Burley Cottle and others, relative to a pension for World War I veterans; to the Committee on Veterans' Affairs.

498. By the SPEAKER: Petition of I. S. Svischov, Russian Anti-Communist Committee of Los Angeles, Los Angeles, Calif., relative to proposing certain amendments to Public Law 86-90 concerning the Captive Nations Week; to the Committee on the Judiciary.

## EXTENSIONS OF REMARKS

### Memorial Day in Hawaii a Soul-Stirring Occasion

#### EXTENSION OF REMARKS OF

**HON. E. ROSS ADAIR**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. ADAIR. Mr. Speaker, five members of the House Veterans' Affairs Committee, led by Chairman OLIN E. TEAGUE, had the privilege of spending the 1960 Memorial Day weekend in Hawaii for the threefold purpose of: (a) Holding hearings and meeting with various veterans' groups in our 50th State; (b) represent-

ing the Congress at the dedication of the beautiful new carillon presented by the American Veterans of World War II and Korea at the site of the Arizona disaster in Pearl Harbor, and (c) attending the Memorial Day services at the Punchbowl National Cemetery in Honolulu.

The last of these was an occasion which everyone present will remember as long as he lives and, in beauty and in depth of feeling, it recalled the colorful patriotic observances which used to be so much a part of American life and which have, unfortunately, fallen into comparative disuse in recent years.

The Punchbowl National Cemetery has been created in a huge, extinct volcanic crater overlooking the city of Honolulu. In it are buried almost 17,000 men and

women of all races who fought to preserve our freedom, and the freedom of all men of good will everywhere on earth, during the hostilities in the Pacific theater.

The magnificent resting place for the brave which has been created here was a breathtaking sight on Memorial Day. On each of the 17,000 graves a small American flag was fluttering in the soft Hawaiian breeze, and on each was a lei of orchids which had been put together with loving care and placed in position by Hawaiian schoolchildren. The ceremonies, in which all branches of the armed services and all veterans groups participated, were brief and extremely moving. The principal speaker on this occasion was Mayor Neal S. Blaisdell, of Honolulu, and the chairman of the

proceedings was Spark M. Matsunaga, a leader of the 100 Club, a prominent Hawaiian veterans group.

World War II is a vivid and living memory in our 50th State and Memorial Day is an occasion of deep personal meaning. None of the visiting delegation will ever forget the sight of, literally, tens of thousands of Hawaiian citizens climbing the hill to the Punchbowl Cemetery in car or on foot, carrying their own flowers to lay upon the graves of the heroic dead. And, I am sure, that each of us felt a twinge of regret and remorse that here on the mainland the emphasis at Memorial Day has gradually been placed more and more on the holiday aspects of the occasion rather than on the sacred memories which it should arouse in every American heart.

Previous to these rites, the congressional group attended the ceremonies at the site of the *Arizona* disaster. This was indeed an occasion for heartbreak and deep thought. The platform on which we stood was erected upon a turret of the sunken battleship in which 1,102 American boys lie forever entombed. The outlines of the noble ship are still clearly discernible beneath the blue, translucent Hawaiian waters. Indeed, on a beautiful May morning such as was this Memorial Day at Pearl Harbor, it was difficult, if not impossible, to envisage the horror and the brutal savagery which ravaged this Pacific paradise on December 7, 1941, and which plunged the United States into 4½ years of global warfare.

The AMVETS carillon represents a first step in the construction of a magnificent national memorial at the site of the disaster. In presenting the carillon to the U.S. Government, Harold T. Berc, national commander of the AMVETS summed up the feelings of all veterans everywhere in the following address:

DEDICATION OF AMVETS MEMORIAL CARILLON OF THE PACIFIC, MAY 30, 1960  
(By Harold T. Berc, national commander, AMVETS)

Men of the *Arizona*—we in AMVETS have come to memorialize your sacrifice on that infamous 7th day of December 1941. We commit ourselves to this act by the dedication today, aboard this gallant vessel, of a carillon. We devote ourselves to the language of its inscription, which says, "While these bells toll, safely rest; freedom lives."

In your moment of truth on that gray December morning about 19 years ago, you had already marked yourselves with the honor of serving your Nation's flag. But the swiftness of the enemy's assault prevented you from knowing the course of history which would flow from that day of surprise.

You could not know that your day marked the beginnings of World War II, and that 12 million brothers of yours would rise up to defend against the lust of Tojo, the avarice of Mussolini, and the madness of Hitler—that thousands of them would follow your devotion by being shattered in the skies, sunk below the seven seas, or lost on battlefields around the world—that thousands more would be returned to hospitals around our Nation, wracked in mind or broken in body, and that millions more of us on whom God's grace was shed would return with determination to atone your sacrifice—not alone by dedicating ourselves to concern for fellow veterans, their widows and orphans, but also to the highest acts of

citizenship which would insure a healthful nation working toward a world of peace with justice.

You could not know, men of the *Arizona* that the days following World War II would be marked by the unlocking of the secrets of atomic energy revealing a force which could be either effectively used to accomplish men's destruction or used to bring the well-being of the peoples of the world to a state of peace and material good.

No, you could not know that the powerful nations of the world would gather in San Francisco for the organization of a body called the United Nations which would, for all time, commit the peoples of the world to an order of life which would minimize nationalistic aberrations and provide a forum for help in bringing colonial peoples of the world into a day of independence, and which would cooperate in stamping out disease, in improving economic development, in advancing educational opportunity, and in making the elements of adequate food and shelter available to all.

You could not know that the Soviet Union which participated in the creation of this model tool, would fear and distrust the honest directives of that forum and would weaken its purposes by obstructionist vetoes, by belligerent declarations, by an inordinate hardness in provoking an airlift at Berlin, and finally by the sponsorship of a limited war technique resulting in the Korean war \* \* \* that the substantial part of the world would unite for peace and under U.S. moral leadership would resist this aggression by piecemeal technique through the fielding of a U.N. military force. Nor would you know that Soviet Union political opportunism would cause her to inject herself into Hungary for the purpose of suppressing the free will of its people and then to exceed this cynical intrusion by an even more cynical refusal to accept an impartial inspection of the Hungarian scene by a properly constituted committee of the U.N.

You could not know that the Soviet Union would pursue a course of purposeful espionage, and by industrial advance bring itself to a position of high nuclear war potential, the effect of which has been to commit the world to life on a diplomatic tightrope of terror.

And so we find ourselves on this Memorial Day remembering your sacrifice in the wake of surprise and concerned that from such a repeated surprise, in this day of nuclear power recovery potential would be minimal.

We do not raise for you the detail of the events of today. But we do say that the act of overflight by the U-2 which caused such violent Soviet verbal reaction was a better reason for getting on with the summit conference than for torpedoing its potential. The cancellation of that conference was not an assault on the United States alone but on all the peoples of the world who looked hopefully to the summit conference as a means of controlling the dangerously mounting tensions of the world.

From the White House we have today received the President's Memorial Day Proclamation in which he asks all Americans to make this a day of prayer for permanent peace. We now make this prayer on this hallowed site and we let you know that we bear witness to your sacrifice by dedicating ourselves to the essence of the words "Eternal vigilance is the price of liberty," and we expect to perfect that dedication by insuring that our Nation's strength continue to be second to none in the world.

At the same time, the essential truths of our aspirations for a world of peace with freedom will continue to be sought by us through every honorable means available—not as a matter of lip service, but as a matter of reality; that we seek this world of peace with freedom not alone for ourselves, but for all those people of the world who look hopefully toward this goal. We declare

in ringing terms our decision to stand fast to the principle that all such peoples be free of dictatorship, free of oppression, and free of attack because of race, color, or creed. The terrible lesson of surprise is vividly portrayed by your mighty *Arizona*. But for all time, rather than let this be a symbol of tragedy, we shall make it stand as a signal of freedom through vigilance. And it is with this lesson in mind that AMVETS formally tender this carillon.

Mr. Speaker, before laying a wreath on the site in the name of the Congress of the United States, Chairman TEAGUE of the Veterans' Affairs Committee expressed himself in the following remarks which, I feel, should be read by every American:

SPEECH BY HON. OLIN E. TEAGUE—DEDICATION OF THE AMVETS MEMORIAL CARILLON AT PEARL HARBOR, MEMORIAL DAY, MAY 30, 1960

This is really an occasion—not for speech, but for silence. It is an occasion for quiet memories, for prayer, for thanksgiving, and for great resolve.

Here, as we dedicate this carillon as a memorial to those 1,102 Americans who lie forever entombed within the shattered hull of the U.S.S. *Arizona*—we must be impressed by the fitness that lies in the fact that this has been made possible by the American Veterans of World War II and Korea. For the AMVETS are typically and completely a product of World War II—and, among all the battlefields and memorials of the world, Pearl Harbor is the most representative of the same war that gave the AMVETS birth.

I single out the AMVETS because of their part in making this memorial possible. However, the thoughtfulness and patriotism which motivated this gesture are typical of all our veterans' organizations. In my opinion, the growth and development of our veterans' groups has been one of the healthiest developments of 20th century America and we all owe a great deal to each and every one of them.

Pearl Harbor is unique. Few nations care to memorialize their military defeats. The French do not keep Waterloo green in the memories of their people; the English have no special reverence for Yorktown and Saratoga; Mexico does not glory in San Jacinto; the Spanish do not sing of the Armada.

But Pearl Harbor is different. It represents a physical defeat but a moral victory. It symbolizes the ability of free men to rise and conquer the forces of oppression, even when they have been crushed to earth.

Pearl Harbor will always serve as a reminder to future generations of the moral differences between freedom and totalitarianism. It will always serve as a perpetual reproach to all who would be slavemasters—and a testimonial to the invincibility of the human spirit.

And Pearl Harbor serves another essential purpose as a reminder that this must never happen again.

In all the history of humankind there has never been an instance in which freedom has been lost in a single day.

The positive act of snatching a people's freedom away from them may have been of short duration, but always the period of apathy and carelessness, of laziness, of complacency, and even of moral corrosion which made the act possible has been long and protracted.

This is something we must always remember. As we stand here today we are troubled—deeply concerned—by the reverberations resulting from the capture of the U-2. Certainly the conditions which surrounded this event are unfortunate in the extreme since they have given the Soviet demagogues a useful implement of propaganda. But we must remember that as long as we have for an international antagonist a closed society, such as that of Soviet Russia,

then espionage must be a way of life, a necessity for national survival. If we had been as vigilant in 1941—if we had known as much about what was going on in Japan as we know about Russia in 1960—we would not be mourning our heroic dead here today.

For the free world can never afford another Pearl Harbor. If we are ever again caught so unprepared there will be no ceremonies to be conducted by the survivors—there will be no buglers, no tolling of bells, no flags, no memorial wreaths—for there will be no survivors. There will only be the long silence of destruction and universal death.

I have just one thought to add before the bells of this carillon ring out for the first time over these historic waters. We mourn, with aching hearts, the 1,102 Americans who lie entombed before us—young men who died in a war before they even knew a war existed. We mourn all the others who have died in this and in every other war in which we have been engaged—those who lie, as these do, with an ocean across their hearts—those who died in mudbank or cloudbank or who lie with the jungle roots entwined about their feet in the green hells in which they were forced to fight.

But mourning is not enough. Not nearly enough.

A generation of Americans gave their noon-days to us so that we might enjoy a handful of tomorrows. They have made us the trustees of their sacrifice, the legatees of their suffering.

They have been most generous.

It is not sufficient to mourn them. They will be satisfied only if we can give them assurance that their sacrifice has not been in vain, and that we are worthy of their sacrifice.

This calls for self-dedication—for a firming-up of our faith—for a regrouping of our moral forces. We are all faced with troubled years ahead. The maintenance of peace is going to call for many things from many people—courage, unselfishness, stamina, sacrifice, wisdom. The challenge is enormous now and it will grow greater. We must meet that challenge every day of our lives or we shall be overwhelmed by it.

So—when these bells throw their gentle message across the harbor today—let us rededicate ourselves to this cause of maintaining liberty—the cause for which these 1,102 Americans gave up their lives. Let us swear in our hearts that we shall devote our lives—each in his own way—toward making certain that liberty—that torn and tattered document, signed by Christ and His angels and a most impressive list of sponsors, great and small, shall never be committed to the flames.

Thank you and God bless you.

As I have said, Mr. Speaker, Memorial Day 1960 in Hawaii was an occasion to remember. I wish every Member of Congress and, indeed, every American had the opportunity to attend these dual ceremonies.

### The Mexican Labor Program

#### EXTENSION OF REMARKS

OF

### HON. GORDON CANFIELD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. CANFIELD. Mr. Speaker, I present to the House a letter that I received today from Labor Secretary James P. Mitchell regarding H.R. 12176, to extend the Mexican labor program:

U.S. DEPARTMENT OF LABOR,  
Washington, June 15, 1960.

HON. GORDON CANFIELD,  
House of Representatives,  
Washington, D.C.

DEAR CONGRESSMAN CANFIELD: I am informed that a vote may soon come up on a bill to extend the Mexican labor program, commonly referred to as Public Law 78. The bill for this purpose is H.R. 12176. I understand also that some question may exist as

to the position of the Department of Labor and of the administration with respect to this bill.

In order to dispel any possible uncertainty on this score, I am writing to make it clear that the administration and the Department of Labor are opposed to passage of H.R. 12176. After mature consideration, the administration has concluded that improvements in the Mexican labor program are necessary, and that legislation should be delayed until the administration's proposals for improvement can be made available. The highly controversial problems in this field may be made even more difficult by undue haste in consideration and decision.

Since the existing law does not expire until June 30, 1961, there will be ample time for consideration of the administration's recommendations in the next session of the Congress. Please let me know of any further assistance that I may be able to offer.

Sincerely yours,

JAMES P. MITCHELL,  
Secretary of Labor.

### Tabulation of Annual Public Opinion Poll

#### EXTENSION OF REMARKS

OF

### HON. MARGUERITE STITT CHURCH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mrs. CHURCH. Mr. Speaker, at the request of many Members, I am happy to place in the CONGRESSIONAL RECORD today the tabulation of answers obtained through a scientific sampling of the current opinions within the 13th District of Illinois on 31 leading issues, as expressed in my 1960 annual poll.

Signed returns, representing a percentage of response of 17.4 percent, gave the following results:

Annual public opinion poll tabulation from Marguerite Stitt Church, Representative in Congress, 13th District, Illinois

(In percent)

	Yes	No	No opinion		Yes	No	No opinion
1. Is it essential to balance the national budget?	81.2	13.8	5.0	9. With Government investment in farm commodities now over \$9,000,000,000 and storage and other expenses approximately \$1,000,000,000 each year, should price supports and controls be:			
2. If a budget surplus develops next year, do you prefer:				(a) Increased?	2.4	39.8	57.8
(a) Payment on the national debt?	73.6	6.5	19.9	(b) Decreased?	44.8	11.5	43.7
(b) Tax decrease?	29.9	23.9	46.6	(c) Unchanged?	5.0	30.0	65.0
3. If a budget deficit develops, do you prefer:				(d) Abolished?	55.3	11.9	32.8
(a) Tax increase?	15.5	29.5	55.0	10. Would you favor a plan to use surplus crops instead of cash to pay farmers for taking land out of production?	65.9	12.5	21.6
(b) Increase in the national debt (now \$290 billion)?	6.2	33.1	60.7	11. Should cooperatives be taxed on same basis as other businesses?	78.7	8.7	12.6
(c) Elimination of nonvital Government programs? (If "Yes," what programs?)	73.6	2.7	18.7	12. Should the interest rate on Government loans to REA cooperatives be increased from 2 percent to the higher rate paid on Government bonds?	64.3	9.9	25.8
4. Do you favor gradual transfer back to States and local communities of complete responsibility for local needs (education, slum clearance, sewage treatment plants, etc.) assuming a transfer of some tax sources from the Federal Government?	78.0	16.7	5.3	13. To provide for adequate defense should we:			
5. To meet education needs, do you approve:				(a) Attempt to match the Russians in every phase of defense, regardless of cost?	15.0	45.9	39.1
(a) Continued reliance on local and State support of education?	74.0	9.0	17.0	(b) Continue our present level of defense spending for a balanced deterrent program?	58.5	10.7	30.8
(b) Federal grants to States for school construction?	25.6	39.2	35.2	(c) Make every effort to reach a workable agreement with the Russians for disarmament?	66.3	9.5	24.2
(c) Federal grants to States for teachers' salaries?	17.6	45.9	36.5	14. Do you believe sufficient emphasis is placed on our missile and space programs?	64.3	22.5	13.2
(d) Federal aid for scholarships?	32.3	31.9	35.8	15. Should United States transfer nuclear weapons and material to friendly nations?	25.0	58.8	16.2
(e) Providing some method, perhaps through tax benefits, for individuals and business to finance expanded education?	50.0	16.8	32.7	16. Without guarantee of a reliable inspection system, should we permanently abandon atomic tests?	11.4	81.7	6.9
6. If new programs increase Government spending, do you prefer:				17. Do you approve a firm stand on Berlin at the summit conference?	88.6	4.9	6.5
(a) Increase in personal income and corporation taxes?	24.0	38.6	37.4	18. Do you favor the repeal of the Connally amendment, which reserves to the United States the right to decide whether issues brought before the World Court are essentially within our domestic jurisdiction?	28.1	44.1	27.8
(b) New Federal sales or manufacturers' tax?	43.3	29.1	27.6	19. Do you favor diplomatic recognition by the United States of Communist China?	26.8	62.1	11.1
7. Where economic changes cause less industrial activity and unemployment, do you prefer:				20. Do you favor an increase in repayable U.S. loans, rather than grants, for foreign aid?	84.5	6.7	8.8
(a) Federal funds to solve the problem (aid to depressed areas)?	25.3	34.5	40.2	21. Do you favor U.S. aid to Communist-satellite countries?	11.6	77.7	10.7
(b) State and local efforts?	74.0	7.2	18.8	22. Should the buy America policy, adopted by the Development Loan Fund, be extended to other U.S. foreign aid programs?	46.1	18.6	35.3
8. Would you prefer medical and hospital care for the aged through:							
(a) Private, low-cost medical and hospital insurance programs?	69.0	9.7	21.3				
(b) Increased social security taxes on employees and employers to cover social security beneficiaries only?	14.6	42.9	42.5				
(c) Federally supported voluntary medical insurance program?	22.2	37.2	40.6				

Annual public opinion poll tabulation from Marguerite Stitt Church, Representative in Congress, 13th District, Illinois—Continued

[In percent]

	Yes	No	No opinion		Yes	No	No opinion
23. Should the differential in wages and working conditions between this Nation and foreign countries be taken into account in formulating our foreign trade regulations and policies?	72.0	14.3	13.7	26. Do you favor stronger civil rights legislation?	52.6	33.0	14.4
24. Should Congress change the Sugar Act under which Cuban sugar is now imported at above world market prices, so as to:				27. Do you favor a change in the minimum wage law to provide:			
(a) Reduce the commitment?	19.2	16.1	64.7	(a) Extension of coverage?	37.3	23.7	39.0
(b) End the commitment?	34.6	15.5	49.9	(b) Increase to \$1.25 an hour?	33.4	28.2	38.4
(c) Give President discretionary authority to make such changes?	55.6	12.3	32.1	(c) Increase to not more than \$1.15 and hour?	20.1	28.6	51.3
25. Should more immigrants be allowed to enter the United States annually?	28.0	56.0	16.0	28. Do you favor an increase in postal rates to put the Post Office Department on a self-paying basis?	65.0	27.7	7.3
				29. Do you favor legislation to preserve wilderness areas in our national parks, forests, wildlife refuges, and other public lands?	90.6	4.4	5.0
				30. Should the Federal Government be given greater authority to regulate radio and TV programs?	30.6	61.2	8.2
				31. Should GI benefits be extended to our peacetime veterans?	20.5	71.5	8.0

## President Eisenhower's Address in Manila

### EXTENSION OF REMARKS OF HON. ALEXANDER WILEY OF WISCONSIN

IN THE SENATE OF THE UNITED STATES  
Thursday, June 16, 1960

Mr. WILEY. Mr. President, the withdrawal of the invitation by the Japanese Government for President Eisenhower to visit that country is a cause for deep concern to the free world.

We recognize, of course, that the Government of Japan maintains its friendly attitude toward the United States. Moreover, I am confident that a large majority of the people do not endorse the anti-U.S. activities—agitated and directed by the international conspiracy of communism.

Nevertheless, the fact that the long arm of Moscow and Peiping could reach into Japan, disturb internal affairs, result in riots that wounded many, and, yes, killed one student, and required the Government to reverse its diplomatic policy—this is indeed a serious matter.

Realistically, this is aggression by "agitation and subversion." We can expect, of course, that there will be gloating in the circles of communism.

The fact that this could happen—despite a postwar policy in which we have attempted to build up and reconstruct Japan, however, requires a need for a reappraisal of our policy.

The President's tour of the Far Eastern countries reaffirming our dedication to peace, as well as pledging cooperation and friendship to the people of Asia, will constitute, I am confident, a major antidote to the spread of Communist influence in that area of the globe.

As in the past, the President, wherever he goes, leaves a wake of good will toward our country.

Following the President's return home, however, I believe that we need to reappraise the effectiveness with which we are getting across, not only the ideas of freedom, but with which we are countering, or failing to counter, the Communist ideological offensive.

Yesterday the President laid the groundwork for realistic, ideological recognition, and countering the menace of communism to the Asian people in a speech in Manila.

At this time I ask unanimous consent to have printed in the RECORD at this point two items—first, a partial text of the Manila address, and, second, a splendid editorial from the Washington Post entitled "Nationalism in Asia"—reviewing the significance of the President's presentation.

There being no objection, the address and editorial were ordered to be printed in the RECORD, as follows:

#### PARTIAL TEXT OF IKE'S MANILA ADDRESS

MANILA, June 15.—The following is that part of President Eisenhower's address to the Philippine Congress which dealt with communism:

Communist leaders fear constructive nationalism as a mortal foe. This fear is evident in the continuing efforts of the Communist conspiracy to penetrate national movements, to pervert them, and to pirate them for their own evil objectives.

To dominate—if they can—the eternal impulse of national patriotism, they use force and threats of force, subversion, and bribery, propaganda and spurious promises. They deny the dignity of men and have subjected many millions to the execution of master plans dictated in faraway places.

Communism demands subservience to a single ideology, to a straitjacket of ideas and approaches and methods. Freedom of individuals or nations to them is intolerable. Free men, free nations make their own rules to fit their own needs within a universally accepted frame of justice and law.

Under freedom, thriving sovereign nations of diverse political, economic, and social systems are the basic healthy cells that make up a thriving world community. Freedom and independence for each is in the interest of all.

#### AIM OF U.S. ASSISTANCE

For that very reason—in our own enlightened self-interest, in the interest of all our friends—the purpose of American assistance programs is to protect the right of nations to develop the political and social institutions of their choice, rather than having to accept extremist solutions under the whip of hunger, or the threat of armed attack and domination.

We readily accept the fact that there is a great variety of political, social, and economic systems in the world; and we accept the further fact that there is no single, best way of life that answers the needs of everyone, everywhere.

The American way satisfies the United States. We think it best for us. But the United States need not believe that all should imitate us. What we do have in common with the free nations in Asia, Africa, Europe, and Latin America are basic and weighty convictions, more important than differences of speech and color and culture.

Some of these convictions are: That man is a being capable of making his own de-

cisions; that all people should be given a fair opportunity to use their God-given talents, to be worthy heirs to their fathers, to fulfill their destiny as children of God; that voluntary cooperation among groups and nations is vastly preferable to cooperation by force—indeed, voluntary cooperation is the only fruitful kind of effort in the long run.

True enough, in a too lengthy period of history, some European nations seemed convinced that they were assigned the mission of controlling the continents. But always powerful voices within those countries attacked the policy of their own governments. And we of the American Republics—21 independent nations, once European colonies—denied in arms and in battle the validity of the assumed mission. Colonialism died there because true nationalism was a more potent force.

#### WHO ARE COLONIALISTS?

Since 1945, 33 lands that were once subject to Western control have peaceably achieved self-determination. These 33 countries have a population of almost a billion people. During the same period, 12 countries in the Sino-Soviet sphere have been forcibly deprived of their independence. The question might be asked: Who are today the colonialists?

The basic antagonism of the Communist system to anything which it cannot control is the single, most important cause of the tension between the free nations in all their variety on the one hand, and, on the other, the rigidly controlled Communist bloc.

One purpose of the Communist system's propaganda is to obscure these true facts. Right now, the principal target is the United States of America. My Republic is painted as an imperialistic seeker of limitless power over all the peoples of the world, using them as pawns on the chessboard of war, exploiting them and their resources to enrich our own economy, degrading them to a role of beggarly dependence.

The existence, the prosperity, the prestige of the Republic of the Philippines proves the falsity of those charges. You, as a people, know that our Republic is no empire of tyranny. Your leaders repeatedly have so testified to the world. But for a few minutes I should like to speak to you on what America stands for: what it stood for before I became President and what it will continue to stand for after I have left office.

More important than any one year, any one incident, or any one man is the role we have played through our whole history—the role we shall continue to play so long as our Republic endures.

Two hundred years, lacking 16, have passed since our forefathers proclaimed to the world the truths they held self-evident; that all men are created equal; that they are endowed with unalienable rights to life, liberty, the pursuit of happiness; that governments are instituted to secure these rights, deriving their just powers only from the consent of the governed.

## SEATO IS CITED

Beyond the guarantees of American strength, we seek to expand a collective security. SEATO demonstrates what can be accomplished. Since its inception, not one inch of free southeast Asia territory has been lost to an aggressor.

Collective security must be based on all fields of human endeavor, requiring cooperation and mutual exchange in the areas of politics, economics, culture, and science.

We believe in the expansion of relations between nations as a step toward more formal regional cooperation. In accord with this belief, we support the initiative taken by the Government of the Philippines during the past several years in establishing closer ties with its neighbors.

Patience, forbearance, integrity, an enduring trust, must characterize our mutual relations. Never, I pray, will the United States because of its favored position in size and numbers and wealth attempt to dictate or to exercise unfair pressure, to forget or to ignore the Republic of the Philippines—its equal in sovereign dignity. And never, I pray, will the Philippines make a whipping boy of the United States. Each of us proudly recognizes the other as a sovereign equal.

And, my friends, at this point I just want to interpolate one simple thought on the cooperative efforts for our own security, for advancing the standards of living of peoples, for everything that we do together. There are of course differences in the ability of each nation to make contributions.

## MORAL LEADERSHIP

Each of us as an individual is different from every other individual. Physically, mentally, and in the possession of the world's goods, we are somewhat different. But I submit, Members of the Congress, that there is one field where no man, no woman, no nation, need take a secondary place, and that is in moral leadership.

The spirit of a people is not to be measured by its size or its riches or even its age. It is something that comes from the heart, and from the very smallest nation can come some of the great ideas—particularly those great inspirational ideas that inspire men to strive always upward and onward.

Therefore, when I say that our two nations are sovereign equals, I mean it just in that spirit, in the sense that you have just as much to contribute to the world and to yourselves and to freedom as the greatest and the most powerful nation in the world.

In the great cause of peace and friendship and freedom, we who are joined together will succeed. The eternal aspirations, purposes, ideals of humanity inspire and hearten and urge us to success.

But we face repeated challenges; endless temptations to relax, continuous campaigns of propaganda and threat. Let us stand more firmly together against them all.

With God's help we shall march ever forward toward our destiny as free nations and great good friends.

[From the Washington Post, June 16, 1960]  
NATIONALISM IN ASIA

President Eisenhower's speech to the Philippine Congress was a pointed reply to the noisy elements who are trying to distort the nature of his good-will mission to the Far East. His thesis was the antithesis of the imperialism everywhere attributed to the United States by Communist agents seeking a cover for their efforts to impose a new form of tyranny on mankind. The President found only satisfaction in the fact that 33 lands once under Western control have peacefully achieved self-determination since 1945. Americans of all political faiths like to think that, in some measure these liberated peoples are following the U.S. example of 1776.

The President made it unmistakably clear that the United States has no interest in

imposing its way of life on any people. On the contrary, it recognizes that freedom for all peoples is the only sound basis on which peace can be built. The hullabaloo that has arisen in Japan is based on the Communist-trumped-up charge of American domination over friendly countries in the Far East. Actually, the United States welcomes diversity in the free world and encourages genuine nationalism that respects the dignity and rights of the people.

History and bitter experience fully sustain the President's assertion that communism is the real enemy of national aspirations. It is Moscow that is trying to sap the freedom of young countries striving for independence and higher standards of living. "The basic antagonism of the Communist system to anything which it cannot control," the President rightly said, "is the single, most important cause of the tension between the free nations in all their variety on the one hand, and, on the other, the rigidly controlled Communist bloc."

The first tragic error of the rioting Japanese students lies in their failure to see that the only hope for a tolerable future lies in freedom and respect for the individual. Their second tragic mistake is in assuming that national aspirations, freedom and better living conditions can be attained, in the face of the Communist threats and pressures, without cooperation among the free peoples. The basic truth of our age is that the forces of freedom and human dignity must be organized and work together in order to survive the assaults of the monolithic force that is trying to destroy them.

In a spirit of candor the President also acknowledged that many evils still persist in the free world. Sometimes free men are misled; sometimes they dissipate their energy; they bicker over trifles; they may be fearful when they should be bracing themselves for more vigorous effort. Nevertheless, he maintained, "the resources of free men living in free communities, cooperating with their neighbors at home and overseas, constitute the mightiest creative temporal force on earth."

The message is one that should have an appeal throughout Asia. The choice of the millions who have been disadvantaged in the past is not between communism and colonialism but between the new imperialism of the left and a mature nationalism that can be harnessed to the general welfare and disciplined to the necessities for survival in the atomic age.

## U.S. Army

## EXTENSION OF REMARKS

OF

## HON. W. J. BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. DORN of South Carolina. Mr. Speaker, it was my pleasure, at the invitation of the Secretary of the Army, the Honorable Wilber M. Brucker, to attend a most memorable ceremony in honor of the Army veterans in the 86th Congress on June 12, 1960, at the Washington Monument grounds, at which the U.S. Army presented the 1st Battle Group of the 3d Infantry—"The Old Guard" in a retreat parade.

An Army retreat ceremony, for the benefit of those Members of Congress who have not been privileged to attend, is a most moving and traditional display

from the furling of the U.S. flag to the "pass in review." It portrays the symbolic "all is well" as another day closes.

Under Secretary of the Army, the Honorable Hugh M. Milton II, acting as host for the occasion paid tribute to those Members of Congress who have served in the Army.

Senator THEODORE F. GREEN of Rhode Island acting as spokesman for the many Members of Congress present was most eloquent in expressing his appreciation for the honor paid. He was on the reviewing stand with Senators THOMAS E. MARTIN of Iowa and RALPH YARBOROUGH of Texas, and Representatives CARL ALBERT of Oklahoma and DANIEL K. INOUYE of Hawaii.

This ceremony has become something of an annual tradition in this Capital of the United States and I want to express my appreciation on behalf of the Army veterans of the 86th Congress for the honor paid us by the U.S. Army.

### Medical Payments for Elderly Citizens Legislation Must Be Enacted by the 86th Congress

## EXTENSION OF REMARKS

OF

## HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. BOLAND. Mr. Speaker, the distinguished columnist, Mr. Walter Lippmann, points out in his article in the Washington Post today that there is nothing un-American in the principle that Americans shall be compelled to save "so that they can meet the needs of their old age with the self-respect which comes from being entitled to the benefits because they have paid the cost out of their own earnings."

In my opinion, this statement goes to the heart of the issue of medical payments for the elderly. The Ways and Means Committee has recommended a plan under which elderly persons will be given medical benefits coverage under the social security system. I certainly hope that this legislation is soon brought to the floor for debate and that it is enacted by Congress this year.

Mr. Speaker, at this time I would like to call to the attention of my colleagues an article entitled "A Challenge That Can't Be Ducked" which appeared in the April 16, 1960, issue of Business Week. The article points out:

The problem basically is that the aged are high-cost, high-risk, low-income customers. Their health needs can be met only by themselves when they are young, or by other younger people who are still working. The only way to handle their health problem, therefore, is to spread the risk and costs widely. And that can best be done through the social security system to which employers and employees contribute regularly. By comparison with the heavily subsidized schemes, this approach has the advantage of keeping old people from feeling that they are beggars living off society's handouts.

Mr. Speaker, there are hundreds of elderly citizens in my congressional district who have written to me or talked to me personally about their concern over the costs of possible hospitalization. They worry about the day when they might suffer from an injury or require an operation, the cost of which would wipe out their savings of a lifetime, or place them deeply in debt. The Congress must face up to the realities of this problem facing our senior citizens.

### Schedule of Grassroots Conferences

#### EXTENSION OF REMARKS

OF

**HON. PAUL F. SCHENCK**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. SCHENCK. Mr. Speaker, it is an honor and a privilege to represent the people of the Third District of Ohio here in the Congress of the United States. I am deeply grateful for this opportunity to be of service, and it is my constant desire to serve my constituents in the best way possible. During my service here I have made it my regular policy to keep in close touch with the people of my district so that I may know how they feel about the many important issues facing us here in Congress.

I have considered it my duty, as the representative of this great district, not only to be well-informed of the opinions of my constituents, but also to be of the greatest possible service to persons having problems dealing with agencies or departments of our Federal Government.

Nine years ago I initiated the idea of holding grassroots conferences throughout our district, and I have continued this practice each year during the time Congress is in adjournment. I also have a full-time congressional service office at the U.S. Post Office Building in Dayton, where I can meet with people personally at any time that my official duties permit me to return to the district.

During the time I am in Washington attending to legislative and official duties, a competent secretary is in charge of my district service office to assist callers and to help them with requests for aid in dealing with the Federal Government so that I can be of every proper assistance to them.

In these ways I have sincerely tried to keep well informed as to the personal opinions of my constituents, and I have also tried continuously and sincerely to be of every proper service to them.

Members of Congress are constantly called upon to give careful and earnest consideration to legislation dealing with many complex national and international problems. These day-to-day decisions often affect the lives and living of every citizen in our Nation. Consequently, these personal and private conferences help me to serve all of the people in my district in a much more effective manner.

This year, during our official congressional recess, I am again taking time to hold these grassroots conferences throughout our district at convenient public buildings. I deeply appreciate the fine cooperation of the many officials who have made these meeting places available to me as an aid in rendering this public service.

This is the schedule I have arranged: Dayton Post Office, room 314, September 6 and 7, 9 a.m. to 4 p.m.

Germantown City Building, September 9, 4 p.m. to 8 p.m.

Phillipsburg City Building, September 10, 1 p.m. to 3 p.m.

Brookville City Building, September 10, 4 p.m. to 8 p.m.

Middletown American Legion, September 13, 9 a.m. to 4 p.m.

Miamisburg City Building, September 14, 4 p.m. to 8 p.m.

Oxford Municipal Building, September 15, 4 p.m. to 8 p.m.

Fairfield City Building, September 16, 4 p.m. to 8 p.m.

Hamilton Courthouse, September 19, 9 a.m. to 4 p.m.

I have been greatly encouraged by the increased attendance at these conferences each year. It is sometimes surprising to see how much can really be accomplished when a citizen and his Congressman can sit down face to face and talk over problems of mutual concern.

Special appointments are not necessary for these conferences, and I sincerely urge individuals or groups to meet with me on the date and at the place most convenient to them. The knowledge obtained through these grassroots conferences will help me to render better service, both legislative and personal, to all of the people of our important Third District as their Representative in the Congress of the United States.

### Automatic Warning Signal Devices for Automobiles

#### EXTENSION OF REMARKS

OF

**HON. JOSEPH W. BARR**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. BARR. Mr. Speaker, today I introduced a bill requiring the Secretary of Commerce to prescribe standards for certain automatic warning signal devices for automobiles. These devices would flash a warning light when the motorist takes his foot off the accelerator to slow down his car. We do have on all cars a brake light to show when the brake is applied, but there is absolutely no warning device for the traffic behind a car that slows down abruptly by deceleration rather than the brake.

Back in the old days when I learned to drive, it was customary to stick the left arm out the window and wave it up and down as a slowdown or stop signal. Since turn signals have been installed

this practice seems to have died out and with traffic as vicious as it is, no one can really be blamed for hesitating to stick his arm out the window to signal a slowdown or stop. I really doubt that I have seen the up and down slowdown signal for 5 years.

The idea for this legislation is not original with me. It came from an Indianapolis columnist, Mr. Lowell Nussbaum, but I will cheerfully admit that I grabbed it quickly.

Traffic in my home town of Indianapolis is bad enough, but it is a picnic compared to Washington rush hours and of all the hazards of traffic today, especially in city driving, nothing is so nerve wracking as a sudden deceleration by the car ahead.

I used to welcome my 45 minute drive in to work every morning as a chance to plan the day's work. But after nearly climbing over the backs of cars that suddenly reduced speed, I gave up these intellectual activities and concentrated on the necessity of getting to the Capitol in one piece.

Mr. Speaker, this is a simple piece of legislation that should require little engineering effort by the automobile manufacturers. It is my honest opinion that this legislation would help reduce the appalling accident rate on the streets and roads of this Nation.

### Sylvester V. McMahon

#### EXTENSION OF REMARKS

OF

**HON. MICHAEL A. FEIGHAN**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. FEIGHAN. Mr. Speaker, today one of Cleveland's most distinguished and esteemed citizens marks his 87th birthday.

Sylvester V. McMahon was born on June 16, 1873, in Cleveland, Ohio. He was admitted to the Ohio bar in 1899 and actively practiced law with honor and distinction for 52 years in Cleveland. As a young man he served as chief police prosecutor for the city of Cleveland. He was active in Democratic politics and a disciple of the late Tom L. Johnson, one of the greatest mayors Cleveland ever had. Johnson, though a man of wealth, dedicated most of his life to fighting for social justice and standing for the rights of the common people against entrenched power. His statue stands today in the Public Square of Cleveland.

While still a young man, Sylvester V. McMahon was elected county prosecutor for Cuyahoga County. He was the first Democrat elected to that office from the time of the Civil War. He was former president of the Cleveland Bar Association and an outstanding trial lawyer. In his early years he excelled in the trial of criminal cases. He tried many murder cases and never lost a man to the chair. Later he was a leading member of the bar in the trial of personal injury cases.

Sylvester V. McMahon, seeking few public offices himself, has nevertheless been active in politics all of his life. He has always been interested in honest and efficient government and social justice. He has actively supported those candidates whom he believed would make honest, conscientious, public servants. His standards for public office are high and exacting. He has always believed that public office is a sacred public trust.

Sylvester V. McMahon is honored in Cleveland on his 87th birthday. I offer his name to the Nation as one who is worthy of our attention and our esteem.

## The Military Assistance Program

### EXTENSION OF REMARKS

OF

**HON. JAMES E. VAN ZANDT**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. VAN ZANDT. Mr. Speaker, the action taken by the House Appropriations Committee in reducing by 20 percent the President's request of \$2 billion for military assistance has caused grave concern to Secretary of Defense Thomas S. Gates, Jr.

Secretary Gates on June 15 issued an urgent appeal that the cut in the appropriation be restored when the House debates the appropriation measure on June 16. The Secretary reviewed briefly in a news release the importance of military assistance, stating that Department of Defense witnesses appeared and testified before the House Appropriations Committee as to the soundness of the President's request for \$2 billion to finance a necessary and effective program.

We have a sensible, sound, well administered program. Yet the House Appropriations Committee recommends that the appropriation be reduced by 20 percent.

Said Secretary Gates.

At this point I wish to incorporate in my remarks the news release issued June 15, 1960, by the Department of Defense which I have mentioned in quoting Secretary of Defense Thomas S. Gates, Jr.

I am deeply concerned over the fate of the military assistance program.

The President requested a \$2 billion appropriation for military assistance for fiscal year 1961, to provide weapons and military equipment to strengthen our alliances and to promote our own national security. The Joint Chiefs of Staff all stated that they would not take \$1 away from the military assistance program in order to augment the funds for their own services. Military assistance is just as much a part of our own national defense as are the appropriations for our Army, Navy, Air Force, Central Intelligence Agency, and the Atomic Energy Commission.

I have testified before the Congress, as have other Defense Department witnesses, in support of the \$2 billion request. We have discussed frankly every aspect of the program. We have responded to every question and criticism. We have a sensible, sound, well-administered program. Yet the House Appropriations Committee recommends that the appropriation be reduced by 20 percent.

In spending military assistance funds, it is necessary first to maintain existing allied forces in good working order and conserve the investment already made. Therefore the proposed reduction must come from cutting down on force improvement; that is, postponing indefinitely the newer weapons. Eighty percent of any cut below the budget request must be absorbed in equipment for force improvement, which includes missiles, electronic equipment, modern aircraft and ships, modernized tanks, and combat vehicles and the like.

The impact of the proposed cuts would fall most heavily on NATO, which also bore the greatest weight of last year's appropriation cut.

We must lead the free world without hesitation.

We must contain the Communists, but we cannot do it with imaginary weapons.

We must continue to sustain the capability and determination of our allies to defeat both aggression and internal subversion.

We must provide for the military assistance program as an integral part of our national defense required by our national interest.

Before departing for the Far East, the President said in telegrams to House leaders: "This (cut) cannot but jeopardize our own security and the defense of the free world."

I urge the House of Representatives, when it debates this appropriation on Thursday, to restore the full \$2 billion intact.

## President's Address Before the Philippine Congress

### EXTENSION OF REMARKS

OF

**HON. EDWARD J. DERWINSKI**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. DERWINSKI. Mr. Speaker, yesterday, in Manila, President Eisenhower delivered a historic statement, the results of which caused great impact throughout those portions of the world that were free to hear it. I take this opportunity to call the particular attention of the House to certain portions of this address relative to the constructive force of honest and rightful nationalism, as it relates to our current international conditions. Living as we and our allies do in lands of freedom, we often fail to recognize the real loss suffered by peoples behind the Iron Curtain in the rightly labeled "captive nations."

To point out this issue, may I, first, quote from the President's address before the Philippine Congress as it appeared in the press today:

This spirit was described by your great leader and my personal friend, Manuel Quezon, when he with great eloquence said:

"Rightly conceived, felt, and practiced, nationalism is a tremendous force for good. It strengthens and solidifies a nation. It preserves the best traditions of the past and adds zest to the ambition of enlarging the inheritance of the people. It is, therefore, a dynamic urge for continuous self-improvement. In time, it enriches the sum total of mankind's cultural, moral, and material possessions through the individual and characteristic contribution of each people."

### A NOTE OF CAUTION

Significantly, President Quezon had this caution to offer: "So long as the nationalist sentiment is not fostered to the point where a people forgets that it forms a part of the human family, that the good of mankind should be the ultimate aim of each and every nation, and that conflicting national interests are only temporary, and that there is always a just formula for adjusting them—nationalism is a noble, elevating, and most beneficial sentiment."

In these words of clarity and timeless wisdom, President Quezon spoke a message forever applicable to human affairs, particularly to the circumstances of this era.

In addition to the immediate impact, the following words in the President's message as reported by the press will have particular significance during Captive Nations Week, July 12 to 23 of this year, when we reaffirm in behalf of the peoples presently oppressed behind the Soviet Iron Curtain the cherished hope that true freedom will once again be theirs:

Nationalism is a mighty and relentless force. No conspiracy of power, no compulsion of arms can stifle it forever. The constructive nationalism defined by President Quezon is a noble, persistent, fiery inspiration, essential to the development of a young nation. Within its ideal my own country since its earliest days has striven to achieve the American dream and destiny. We respect this quality in our sister nation.

Communist leaders fear constructive nationalism as a mortal foe. This fear is evident in the continuing efforts of the Communist conspiracy to penetrate nationalist movements, to pervert them, and to pirate them for their own evil objectives.

To dominate—if they can—the eternal impulse of national patriotism, they use force and threats of force, subversion and bribery, propaganda and spurious promises. They deny the dignity of men and have subjected many millions to the execution of master plans dictated in faraway places.

Communism demands subservience to a single ideology, to a straitjacket of ideas and approaches and methods. Freedom of individuals or nations to them is intolerable.

Mr. Speaker, in studying recent history, it is well for us to note that in the last 8 years the Soviet monster has been prevented by our effective foreign policy from seizing control of any free nation whereas in the preceding 8 years, 1944–52, the following nations and their brave peoples lost their freedom: Lithuania, Latvia, Estonia, Poland, Czechoslovakia, Rumania, Hungary, and Bulgaria.

We must keep them in mind at all times especially, as I indicated above, in our commemorative occasions in Captive Nations Week. While we have arrested the spread of communism, and have rededicated ourselves to rolling back the Iron Curtain, the nations of the free world have been granting freedom to lands once subject to their control. President Eisenhower, in addressing the Philippine Congress aptly described this as follows:

Since 1945, 33 lands that were once subject to Western control have peaceably achieved self-determination. These 33 countries have a population of almost a billion people. During the same period, 12 countries in the Sino-Soviet sphere have been forcibly deprived of their independence. The question might be asked: Who are today the colonialists?

Certainly, though we may disagree in detail, we are all united in the fundamental principle that the torch of freedom must be carried to the remotest corners of the earth. In these days of increased international tension, the people of the United States are giving their wholehearted support to a Chief Executive who is effectively dedicating himself to true world peace, and who, by his actions and affirmative pronouncements, has carried to millions of people in the nations he recently has visited the true story of the love of freedom and the heart of humanity that is so symbolic of our national foreign policy.

### A Report to Constituents

#### EXTENSION OF REMARKS

OF

### HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. PELLY. Mr. Speaker, with the adjournment of the 86th Congress comes a final responsibility of each individual Member to render to his constituents an accounting of his stewardship. I think it is recognized that we cannot please all the people all the time. However, we have the right and indeed the obligation to support and justify to the people how and why we voted the way we did and to explain our actions during each session.

In reporting to my friends and those who reside in the First Congressional District of my State of Washington, I am frank in saying I may not always have taken a popular position, but at least I did in good conscience vote the way I thought was proper. It is on this basis that I will return home and report personally on my record of public service this year.

Recently there has been widespread public criticism of Members of Congress over expenses charged to the Federal Government in connection with travel. Also, there is indignation over waste and extravagance in the way Congress spends the taxpayers' money for its own use.

Without pointing the finger at any colleagues, Mr. Speaker, I want to say I have supported itemized accounting and publication of all legislative committee spending. That a clear code of ethics for officials in all branches of the Federal Government has never been enacted, I deeply regret. I have sponsored such a plan so that conflicts of interest would be clearly defined. Public confidence for institutions of Government must be maintained. I am glad to say some progress in that direction has been made recently.

This is no holier-than-thou statement. Let the conduct of each Member stand on his own record in connection with improper practices. As for our legislative budget, I have always voted on the theory and firmly stated that the Congress could not expect to demand econ-

omy in the military and other agencies and departments of Government unless we ourselves set a good example in this respect. I regret to say that Congress has not always seen fit to practice what it has preached with regard to holding down expenditures.

Mr. Speaker, this is a presidential election year and even more than usual partisanship has colored and distorted views and political news and generated more preconvention political heat than light. However, I am glad to say that there has been a minimum of partisanship and politics in our traditional bipartisan foreign policy.

Your patriotism, Mr. Speaker, and that of certain other Democratic leaders has stood the difficult test of obvious opportunity. As always, in America in a crisis, the welfare of the country has taken precedence. I feel the Nation owes a debt, however, to you, Mr. Speaker, who never failed to respond when President Eisenhower and the Republican administration needed your support in foreign affairs.

I think we underestimate the success and effectiveness of that foreign policy. There is more peace and prosperity in the free world today than at any time and more moral and military deterrent strength than at any time since the Marshall plan was adopted. Meanwhile, Mr. Khrushchev and the Soviets have been smoked out for what they are, vicious conspirators whose sinister hope is to enslave all the peoples of this earth.

In domestic affairs, such as with farm legislation, in contrast to foreign affairs, political advantage and party politics have seemed to have been the overriding issues.

Speaking of our agricultural situation, I must deplore, as I have during the past session of Congress, that no legislation has been passed to reduce the inexcusable costs of farm subsidies or to end Federal controls. Our obsolete war emergency agricultural program must cease. It is a disgrace.

One of the major issues of the 86th Congress, of course, was the medical aid program for the aged.

The high cost of hospitalization and sickness cannot be ignored. Certainly the aged who are more subject to illness, especially catastrophic illness, and whose incomes are lower, must obtain health protection. With dignity, medical assistance must be available to the needy and I am confident the basic principles of socialized medicine need not be embraced to accomplish such assistance for retired people of modest or meager incomes.

Federal control of education continues to be a threat. A temporary school construction bill to help the States in the present emergency—if based on helping only school districts which have exhausted their own resources—is only dangerous in that it could lead to the States reducing their efforts and depending permanently on the Federal Government.

Certainly if the Federal Government attempts to finance and set standards for maintaining the schools, including salaries and curriculum, it could result in nationalization of our schools and give

us the Russian system of regimentation and conditioning of youth for socialism. It could be as it was in Japan, Italy, and Germany under despotic dictators like Hitler.

Where school legislation, including a construction bill, did not meet my ideas of built-in safeguards against diminishing local responsibility, I have opposed and voted against it. Rather, I have consistently urged a return of tax funds to the individual States to spend as locally desired.

Now, Mr. Speaker, I want to mention inflation and the national financial picture. I have introduced a bill which would do much to solve a weakness in our system. There are two strong pressures on Members of Congress. One consists of groups favoring programs that entail Government spending and the other groups seek reduced taxes. If Congress favors and supports spending, it should pass a comparable increase in taxes. By the same token, if Members of Congress support less taxes, then we should vote against increased expenditures.

My bill would enforce this policy by requiring that Federal income and expenses be balanced. It would require a reduction of the huge national debt each year. In an emergency, by a record vote, Congress could waive this constitutional provision. Otherwise, we could not adjourn without a balanced budget, including a debt reduction.

Congressional committees this year favored programs requiring spending far in excess of the President's budget. When we establish new costly programs in excess of revenue, it is fiscal irresponsibility not to vote new taxes to increase revenue. I have been against that kind of spending—against so-called budget-busting.

Finally, Mr. Speaker, I should point up one national problem which remains unsolved and which especially affects the Pacific Northwest. This problem has to do with fishing and the proposed extension of the historic 3-mile limit. The Geneva Convention on the Law of the Sea sought to extend and widen the coastal sovereignty for fishing rights and would have taken away the historic right of Americans to fish outside the 3-mile limit off of Vancouver Island. Our Puget Sound fishing industry must retain that right. A settlement with Canada, therefore, must be arrived at before any international agreement is signed.

Another problem has to do with our west coast shipbuilding industry. A differential of 6 percent has long been the Federal policy in recognition of our higher costs. This only applies to the ships which are built for operation in the Pacific. Elimination of this differential could have an extremely adverse result on employment in Pacific coast shipyards.

In both the foregoing matters I take some satisfaction in that I was able to play a leading role in defending my industries and temporarily we have succeeded in holding the line. Meanwhile, I hope the fairness of our cause has been convincingly read into the record. I

serve notice, Mr. Speaker, that we of the Pacific Northwest and west coast are convinced of the justice of our cause and therefore we will continue to resist efforts to harm west coast industries.

Our Washington State delegation, including our Senators, as always, have closed ranks regardless of political party and cooperated closely in all such matters that vitally concern the welfare of the State.

Finally, Mr. Speaker, let me assure my friends in the Congress that during the past session I have appreciated their cooperation. It is a great honor of course to serve in this House of Representatives and a double privilege to be associated with so many fine and able colleagues. In the four terms I have served here I have learned one does not gain in effectiveness as a Member of Congress by experience alone, but by a combination of know-how and friends. Again, I express warm thanks to those who have worked closely with me.

I feel constrained also to publicly express thanks to my constituents at home for the honor and extreme pleasure of representing them in the Congress of the United States. Shortly I hope to carry this message to them in person when I am back home.

So, Mr. Speaker, this concludes my remarks. I only hope my service has justified the confidence of those who voted to send me to Congress and justifies likewise the kind way in which my efforts in most every instance has been received.

### Transcript of Questions and Answers Submitted to Vice President Nixon on Television Program "Open End"

#### EXTENSION OF REMARKS

OF

#### HON. JOHN SHERMAN COOPER

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, June 16, 1960

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a transcript of questions submitted to Vice President Nixon and his answers, on a television program "Open End" broadcast May 15, by WNTA-TV in New York City as reported by U. S. News & World Report.

Mr. President, the interview is another example of the full and free discussion of issues by the Vice President of the United States and as always it discloses his comprehension of national and international issues, his wisdom and judgment.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

[From U. S. News & World Report, May 30, 1960]

#### WHAT VICE PRESIDENT NIXON SAYS

(Vice President RICHARD M. NIXON was interviewed on a television program, "Open End," broadcast May 15 by WNTA-TV in New York City, with David Susskind as

moderator. Following, from a transcribed recording of that interview, are excerpts of Mr. Nixon's comments:)

#### RED CHINA AND THE U.N.

"Should Red China be admitted to the United Nations? Should it be recognized by the United States?"

Mr. NIXON. In my opinion, admission of Red China to the U.N. at this point, and its recognition by the United States, could well set in motion a chain of events in Southeast Asia which would result in the communization of that area.

#### DICTATORSHIPS

"Should United States sever diplomatic relations with governments headed by dictators?"

Mr. NIXON. No. I feel that we have to have diplomatic relations with dictatorships. For example, we have to continue to have diplomatic relationships with Mr. Khrushchev. We have to continue to have diplomatic relations with Mr. Gomulka in Poland. They are dictatorships—dictatorships as rigid, as totalitarian as any in the world. \* \* \* But we have to have diplomatic relations with them. \* \* \*

The United States should make clear that we favor the development in the Americas toward democratic forms. \* \* \*

But to break relations with countries because they had dictators would mean that we'd have to break relations with about half the world today.

#### LATIN AMERICA

"On Mr. Nixon's trip to South America—was it well advised and constructive?"

Mr. NIXON. From a personal standpoint, probably not. It's not very easy to sit in the car and be stoned. It isn't easy to see your wife's new pretty red suit completely covered with spit, or to see a man spit directly into her face and not be able to do anything about it. But I would say, from the standpoint of the country, probably on balance it was good, because it served to bring forcibly home to the American people, to our Congress and to our Government the fact that there was a lot of discontent in Latin America with some of our economic and political policies. And so we have taken steps to deal with those policies.

"What about Cuba and Fidel Castro?"

Mr. NIXON. Obviously, sometimes in cases like this a person in my position, particularly in an election year, might be tempted to make a flag-waving statement about the terrible things that Mr. Castro is saying about the United States, his threats at Guantanamo (U.S. Navy base in Cuba), the fact that one of his gunboats fired on a submarine, and the like.

But I think that there are times when \* \* \* it's best to have the statements that are made come from the responsible people in the State Department or from the President himself. I can only say this in general: I've been to Cuba on two occasions officially. The Cuban people are basically pro-American. I think that Mr. Castro, of course, has tended to turn some of them—many of them, perhaps—against us.

But I will say that, as far as those people are concerned, they certainly needed a revolution. They were not getting an adequate share of the tremendous wealth of that lush island. And so, as far as the objectives of Castro's revolution—providing, for example, a better life for his people, a better division of the land and the like, and particularly that objective which he also stood for at the beginning but since has completely departed from, of freedom—freedom of press, freedom in every respect, freedom of assembly and the like—as far as the objectives of the revolution, we certainly can support them.

And we would hope that Mr. Castro and the Cuban people themselves would change

the present direction of the Castro government back to the objectives of the original revolution from which it has grievously departed, particularly with regard to freedom.

#### CONSERVATISM AND LIBERALISM

"In regard to Mr. Nixon's description of his political philosophy as one of progressive conservatism: Is this a political contradiction in terms?"

Mr. NIXON. No, I don't think so. I believe that, historically, conservatism at its best has always been progressive. And may I say, incidentally, that the use of the words "conservative" and "liberal" I think generally should be avoided these days because the two words have been distorted by definition through the years. Some people have attached the word "liberal" to themselves that perhaps are reactionary in the extreme, and others who call themselves "conservatives" certainly don't deserve that appellation as well. \* \* \*

I believe that a conservative is an individual who opposes bad change but who favors good change. He favors that kind of change which will conserve the best of the past and build on that.

Now, the difficulty with those who do not take a conservative point of view in the sense that I have referred to is that they see a problem and they look at the present system and they want to scrap everything that we're presently doing in order to solve the problem. I think that (1) this is inefficient, and (2) it isn't the best way to solve the problem.

#### WELFARE STATE

"Should such things as social security, the Tennessee Valley Authority and Federal deposit insurance be regarded as 'welfare-state-ism'?"

Mr. NIXON. No. I regard these programs which you have referred to as consistent with the kind of dynamic economy—private-enterprise economy—which I believe will provide the most goods and services for the American people.

My point of demarcation is this: Whenever the individual, acting alone or with other people, either in a partnership or a corporation or some other group activity, can do a particular job or render a particular service more efficiently and less expensively than Government can do it or render it, then I believe that should be the course of action we should follow. Whenever the individual, acting alone or with others, is unable or refuses to render the kind of services that the people need or want, then—and only then—should Government step in. And I believe that, as far as Government is concerned, we should start at the lowest level and work upward to the highest rather than start at the highest and work down. We should first see if the local government can do it, then the State government, and finally, and only as a last resort, the Federal Government.

#### FEDERAL AID TO SCHOOLS

"Should Federal aid be given toward paying teachers' salaries? Why did Mr. Nixon vote against the Clark amendment which would have provided such aid?"

Mr. NIXON. Because I believe there is a better approach, and that's the approach that the administration has supported and continues to support—of Federal aid for school construction, \$2 billion worth of schools to be built over a period of 4 years, financed over a period of 20 years, with the Federal Government paying half of the debt-retirement costs and the State governments assuming the last half. \* \* \*

Because I am convinced that, when the Federal Government aids in the construction of schools, there is no possibility whatever of Federal control. If the Federal Government gets into the business of subsidizing

generally throughout the country the operation of our schools, including the payment of teachers' salaries, inevitably we will move into greater and greater programs in this area.

#### INFLATION

"To control inflation, will some control of wages and prices be necessary?"

Mr. NIXON. I would hope not, and I would certainly resist any attempt legislatively to go to controls. That is one of the reasons why, for example, when the recent steel strike was going on, I completely disagreed with many leaders in this country who said that we had to have compulsory arbitration—compulsory arbitration of labor disputes affecting the national interest. \* \* \*

If you go to compulsory arbitration, this means wage fixing. If you have wage fixing by Government, you have Government price fixing. If you have Government wage and price fixing, the stimulus to the free-enterprise economy—and many think that's a bad word, but I do not—the stimulus to the free-enterprise economy, which has made the American productive machine the wonder of the world, will have been destroyed. We will have taken exactly the wrong step, and I think we should resist it at all possible times.

#### TAX REFORM

"How would Mr. NIXON cut taxes?"

Mr. NIXON. Well, now, let me say first of all that, with regard to tax reform or reduction, I emphasize that, throughout this campaign, I do not intend to promise the people that if elected they can have either categorically, because, in my opinion, before we can talk about either tax reduction or tax reform, both of which will result—even in the second case as well—in a reduction of revenue, we have to be sure that we have met our national-security responsibilities adequately. \* \* \*

Now, in the event, after meeting all of our national-security responsibilities adequately, there is a surplus which will enable us to have a tax bill, I believe that that tax bill should emphasize tax reform—tax reform which would have as its purpose stimulating economic growth. Now how do you stimulate economic growth? You stimulate it by encouraging people to invest their savings in industrial plant, and to encourage them—one of the ways that we do that is through our tax system.

Now, I cannot on this program, and will not until the campaign comes along indicate specifically what ought to be done, but you move on the depreciation front, for example. Accelerated depreciation can be most constructive in stimulating economic growth. You move on the area of what I would call the counterproductive higher income bracket taxes—counterproductive because, at the present time, we have what I would call an expense account economy. I think you know what I am talking about here where people, because the tax rates are so high, live in effect off of expense accounts, and companies, of course, have to pay their top officials in terms of expense accounts as well as in terms of their adequate income.

Now this, I say, is counterproductive and inefficient.

By reducing these rates you lose relatively little revenue. And, by reducing these rates, you release capital for investment in industrial plant. That investment in industrial plant produces progress, it produces more jobs, it produces economic growth.

Now may I say finally in this connection that what I have just suggested has no political sex appeal in it whatever. I'm aware of this. The British were aware of it when they did the same thing a couple of years ago. But I feel that economic growth is essential in this country, and I think the way to economic growth is through expanding primarily the private sector of the economy rather than the Government sector. I think

Government has a responsibility, a proper climate, seeing to it that our economy remains competitive through enforcement of the antitrust laws. But, also, we can do a great deal through reforming our tax system and thereby encouraging and stimulating maximum investment in the new plant which produces more progress and more jobs for Americans.

#### LABOR LEGISLATION

"What about the Landrum-Griffin law as a way to deal with labor abuses?"

Mr. NIXON. This is a terribly complex area and it's very difficult to develop labor legislation which will deal with an abuse without injuring the organization itself. Nobody wants to damage legitimate organized labor in this country—at least I don't, I want to make that clear. What we want to do is to get all unions to follow the good unions and the honest practices that many unions follow today.

The Landrum-Griffin bill was designed to do exactly that. And I believe that, as far as it goes, it did a fairly adequate job. But we aren't going to solve the problems entirely with legislation. In the final analysis, the problem of control of abuses within unions will be solved only when union members themselves recognize that it's their responsibility to assert a fact which they should be aware of, that they run the unions.

"Should wages be geared to the cost of living?"

Mr. NIXON. I think that the gearing of wages to the cost-of-living index has, of course, obvious appeal because it puts it in terms of the need of the workers rather than in terms of productivity. On the other hand, I think we also have to recognize that, over a long period of time, wages must also be geared to increases in productivity as well as what may be the increase in the cost-of-living index.

Now, as far as the guaranteed annual wage is concerned, I think it's been very constructive that many enlightened firms throughout the country are now moving toward that objective as well, and certainly it is an objective to which, I think, both labor and management should strive.

#### MEDICAL AID TO AGED

"Why does Mr. NIXON prefer the administration bill dealing with medical care for older people to the Forand bill?"

Mr. NIXON. I have several reasons: One, because the administration bill covers all of those who need the coverage—are over 65—and the Forand bill does not. The Forand bill covers only those over 65 who happen to have social security. It provides no coverage whatever for 4.5 million people who aren't on social security, and those are among those who need it the most.

The second reason I favor the administration bill is because it is voluntary in its character. It forces nobody to have health insurance against his will, whereas the Forand bill is compulsory in character. All those on social security are brought in under the system.

A third point that I would make is that the administration bill, leaving as it does this choice in the people over 65 to buy private group insurance if they want or to buy no insurance whatever, I think is more consistent with our ultimate objective of keeping the medical profession—which at the present time provides the best medical care in the world for the American people—of keeping it free of Federal control.

#### AGRICULTURE AND MR. BENSON

"What about Ezra Taft Benson as Secretary of Agriculture?"

Mr. NIXON. I think that Secretary Benson has been as dedicated a man in working for the interests of the farmers as he saw it as any Secretary we've ever had. I can say that—I think Secretary Benson's critics would agree with that.

As far as the success of the Secretary in getting his program through is concerned, it is here that he has had his difficulty \* \* \* and, at the present time, we are still saddled with a program which all agree is not in the best interest of the farmer or the American people.

"The Vice President was asked about his own farm program."

Mr. NIXON. Well, this is not the time to announce it. I say, first of all, that the Congress has in its committees at the present time a message from the President giving the Congress a great deal of discretion in this area of the farm program, indicating what the President would favor, but also indicating that, within certain guidelines, the President would sign a bill which did not conform with his specific recommendations.

If the Congress fails to act on this bill, I believe that it is then the responsibility of both candidates for the Presidency to present to the American people farm programs which will break the present stalemate.

#### CIVIL RIGHTS AND DESEGREGATION

"What about the lunchcounter sit-in strikes in the South?"

Mr. NIXON. I would say that these strikes should not be looked at as primarily constituting a legal problem. \* \* \* To me, the problem is not legal. The problem is essentially moral. \* \* \*

Now, what does this mean? Since it is a moral problem, it means that we've got to develop leadership from the very highest level down through the community level which will deal with the problem. \* \* \*

Let me say this—I think it (the strike movement) is very understandable. I think, on the other hand, that we must recognize that the Negroes and others concerned about making progress in this field do avoid, and should avoid, when they can, activities which could prove to be counterproductive—counterproductive by going to extremes, which might set the cause back.

"Is Mr. NIXON satisfied with the civil-rights bill passed recently by Congress?"

Mr. NIXON. The administration favored a bill that would have contained one specific provision that I felt very deeply about, and that the Congress rejected. And that was the one that would have given statutory authority to the committee on equality of opportunity on jobs involving Government contracts. This provision was included in the administration bill, and the Congress rejected it. In addition to that, there was another provision in the administration bill dealing with the matter of schools on Government property, involving this area in which the administration did not get the provision it wanted from the Congress.

But I would say that, as far as the bill which was passed was concerned, that it was a historic bill of great importance, and it was as important a bill as it was and effective as it was because the Attorney General developed the voting-referee proposal which will provide a historic breakthrough in voting rights for Negroes, provided they move in key States—and I mean the Negroes themselves—move in key States to assert those rights.

#### AID TO DEPRESSED AREAS

"What about the President's veto of a bill to provide Federal aid for depressed areas?"

Mr. NIXON. The difficulty with the bill was that it was a very bad method for meeting an urgent need, and would not, unfortunately, have provided as much and as effective aid to the real distressed areas of West Virginia—western Pennsylvania particularly—that the administration bill would have provided.

This is clearly apart from the cost. The difference in cost was 50 million for the Eisenhower bill—the Eisenhower administration's bill—and approximately 250 million for this one. The difficulty with this bill is

that it included a number of areas in this country—because of a very bad and weak standard of what a depressed area was—that would have made it a political grab bag, in effect, rather than, again, using the rifle to deal with the specific problems.

May I say that there is a real problem in these distressed areas and it has not been met, but the Congress can meet it by passing the bill that the President sent down, or one closer to it than the one they did pass. And I hope they do.

#### POLITICS AND THE PRESIDENTIAL CAMPAIGN

"Why is the Republican Party the minority party in this country?"

Mr. NIXON. Because the Republican Party has not effectively identified itself with the policies of this administration, and because the Republican Party, in addition, I think, has failed at the local and State level, in many instances, to develop the organization and the attractive candidates that are needed in this 20th century when politics has become a science—although many could call it much worse names.

"Is there any validity to the description of the Republican Party as the party of 'big business'?"

Mr. NIXON. I would say that no administration has a more effective record in the field of antitrust enforcement than this administration, which indicates that our interest is not in big business or little business but in good business—good, competitive, American business.

And may I say that, as far as business is concerned—just as I feel about labor—that I feel that any administration should not be either antibusiness or antilabor. You should be "pro" good business, "pro" good labor, and "anti" bad business, and "anti" bad labor.

"About Mr. Nixon's campaign methods in the past—would he change those methods?"

Mr. NIXON. Every man obviously changes through the years, and I would not say, certainly, that, through the years, I have not made mistakes. But let me emphasize my philosophy with regard to politics generally.

I believe that, in campaigns, you must have hard-hitting discussion of the issues. I believe, also, that a candidate must expect his opponents to examine his record—as mine has been examined time and time again with a microscope—and he must expect to be attacked on his record—everything that he says, every vote that he has cast, every deed that might affect his conduct of the office. It's fair to discuss it, and discuss it vigorously and in a way that will bring it home to the people. Now, I would say that, when we get into personalities, there is where the line should be drawn.

"What about Governor Rockefeller as Republican nominee for Vice President?"

Mr. NIXON. Well, let me say first of all that the agreements that Governor Rockefeller and I have far outweigh the disagreements—and, as far as foreign policy is concerned, that is particularly the case. \* \* \*

Now, what you have raised, of course, is a hypothetical question, because Governor Rockefeller has indicated that (1) he does not want the nomination for Vice President, and (2) he has said that he will not attend the Republican Convention.

May I say that I think that that statement on his part is one which is responsible and a proper statement. \* \* \* So I think this decision by the Governor is one that should be respected. \* \* \*

"If Senator Kennedy is the Democratic choice for the Presidency, will it be a political necessity for the Republican Party to nominate a Catholic as Vice President?"

Mr. NIXON. I would say that ticket balancing of that type, for that reason, would be such an obviously cynical act that it would be resented, and properly so, by people throughout the country. It happens that

there are people of the Catholic faith in our party who are eminently qualified, may I say, to serve in the highest offices in this country. But those people, if they are to be considered, should be considered on their merits and not on the basis simply of balancing the ticket because the other party might have selected somebody of that faith.

### Baltic States Freedom Council's Town Hall Rally

#### EXTENSION OF REMARKS OF

### HON. JOHN V. LINDSAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. LINDSAY. Mr. Speaker, on Sunday, June 12, 1960, it was my privilege to address the Baltic States Freedom Council's Town Hall Rally in New York City, marking the 20th anniversary of Soviet invasion of Estonia, Latvia, and Lithuania. Under unanimous consent I include in the RECORD a copy of my statement and the manifesto of the 20th anniversary of Soviet aggression against the Baltic States issued by the free Estonians, Latvians, and Lithuanians:

ADDRESS BY REPRESENTATIVE JOHN V. LINDSAY, REPUBLICAN, OF NEW YORK, AT THE BALTIC STATES FREEDOM COUNCIL'S TOWN HALL RALLY IN NEW YORK CITY, MARKING THE 20TH ANNIVERSARY OF SOVIET INVASION OF ESTONIA, LATVIA, AND LITHUANIA, JUNE 12, 1960

We meet here both in sorrow and in hope. In sorrow we commemorate the anniversary of the darkness that engulfed the Baltic countries in June 1940; in hope we rekindle the torch of liberty to light the way out of darkness.

The enormity of the tragedy which befell Estonia, Lithuania, and Latvia by unprovoked Soviet aggression, can only be fully realized by an awareness of the remarkable contributions made to the world by the peoples of these sovereign nations during their years of independence and freedom.

By their culture, arts and crafts, science and education, literature and the theater, and an ever-rising standard of living, these countries made their lasting mark on the world community. Expanding travel and commerce established deep and lasting links with the Western World. Between these countries and the United States there existed the bonds of mutual respect and love of freedom.

When the hammer struck it corrupted all human dignity. In violation of a series of nonaggression treaties, the Soviet armies engulfed three sovereign states, purged their governments, rigged their elections and forcibly incorporated them into the Soviet Union itself. Not even nominal sovereignty was retained. The economies became subject to the central Soviet plan and their institutions came under Soviet ministries. There followed the usual reign of terror in the pattern of dictators—mass deportations, mass arrests, conviction without trial, collectivization of agriculture, industry and the like.

Many of you here tonight lived through these events and there is little that I can tell you that you do not know far better than I from personal experience.

Let me say this much, however, about personal experience. When Hungary rose and

struck back in the glorious October revolt of 1956, I had the opportunity and the moving experience, as the representative of the Attorney General of the United States, of witnessing the events from the edge of freedom. In the course of helping to establish our Government's participation in the relief of Hungarian freedom fighters and their loved ones, I stood night after night at the Andau Bridge and other key points along that dark border and saw the faces of those who marched from darkness to light. It is one thing to discuss a bloodletting in the abstract; it is another to see it in the faces of women and children, with the rumble of tank treads and the rattle of machineguns echoing out of the morning mist.

So these things bear restating. Let us remind ourselves that our friends and allies, your mothers and fathers, brothers and children, remain under the oppressor's boot and cry to us for help. As an American and as a Representative, I wish to tell you that your cause is our cause. It is a cause close to our minds and hearts. But we may not rest on this. What is needed is a restatement by the free world of our determination to achieve freedom and independence for each person and each nation. The pressure of organized public opinion is a powerful weapon, but like the fight for freedom everywhere, it is not self-sustaining. It requires recognition, leadership, and restatement. Free countries everywhere must articulate their obligation toward those who died for the cause of freedom or who hold on to life only in the hope of freedom. Their cause must be highly placed on the agenda of international convocations. Otherwise the statesmen of the free world negotiate on a basis of expediency rather than principle.

The United States must adhere to principle. In 1892, both the Republican and Democratic Party platforms saw fit to condemn the Russian Czarist Government for the mistreatment and oppression of its non-Russian peoples and asked for equal rights for all. The principles of self-determination by all peoples were proclaimed by President Woodrow Wilson in 1917 and the Baltic Republics were welcomed into the family of nations shortly thereafter. The United States gave its enthusiastic welcome. There followed the Sumner Wells declaration on July 23, 1940, on the occasion of the Soviet aggression in June 1940. This declaration condemned predatory activities of one state against another. It condemned the use of force or the threat of force by nations against each other. It condemned the interference of one sovereign power into the domestic affairs of another. The declaration said in conclusion that unless these principles are followed, law and justice cannot be preserved and, indeed, the basis of modern civilization cannot prevail. Thereafter, the United States consistently refused to recognize the present absorption of Estonia, Latvia and Lithuania into the Soviet Union. We refuse to recognize the regimes that the Communists have established and maintained by force and by fraud in these countries. We recognize only the representatives of the independent Republics of Estonia, Latvia and Lithuania, and that is how it will remain.

All Americans should read the report of the Kersten committee—a select committee of the Congress under the chairmanship of Charles J. Kersten—which in 1953 and 1954 took evidence in two continents of the international crimes that had been committed by the Soviet Union against the Baltic States. The final report of and the documents assembled by the Kersten committee constitute the most definitive record that we have of a history of Soviet perfidy and of Soviet offenses against mankind.

Finally last year by congressional resolution and Presidential proclamation—the

Captive Nations Resolution and Declaration—we restated our demand for the restoration of independence to these nations of Europe. This is our goal.

The United States must rekindle the fires of freedom. On the international scene everywhere we must be the image of enlightened concern for the principles of freedom and human dignity upon which our own country was founded and for which we have fought.

We must do this by demonstrating our concern for human worth in every community, at home and abroad. Let us not, as Americans, neglect our own institutions or fail to recognize our own problems and shortcomings where they exist. Where, and to the extent that, we ourselves fail to accord full rights to every man in our own Nation, so we fail in our own effort to stop the spread of communism abroad. Where we face up to our shortcomings, so we strengthen ourselves in the battle for the freedom of other peoples. We do nothing in a vacuum. Everything is interrelated. And so it will be, more and more, in the challenging years to come.

Thank you very much.

**MANIFESTO OF THE 20TH ANNIVERSARY OF SOVIET AGGRESSION AGAINST THE BALTIC STATES BY FREE ESTONIANS, LATVIANS, AND LITHUANIANS**

Twenty years ago, the Soviet Union attacked the Baltic States. Some 300,000 Red army troops poured into Lithuania on June 15, 1940, and into Latvia and Estonia, on June 17, 1940. With the protection of this occupation army, the emissaries of the Kremlin—Dekanozov, Vishinsky, Zhdanov—unseated the legitimate governments of the Baltic nations. The Baltic countries were robbed of their independence and transformed into colonies of the Soviet Union.

The Soviet Union's assault against its Baltic neighbors initiated the Soviet westward march against Europe. Thus, the beginning of today's international tension and threat to peace may be found in the Soviet aggression against the Baltic States in 1940.

By its aggressive acts against Estonia, Latvia, and Lithuania, the U.S.S.R. broke the peace and nonaggression treaties it had signed with those states as well as other international agreements.

Expropriation, exploitation, pauperization, slave labor, suppression of human rights and fundamental freedoms, Russification, terror, murder, mass deportations—these are the marks of the Soviet occupation in the Baltic States. In committing these acts, the Soviets violated the United Nations Declaration embodying the Atlantic Charter, the United Nations Charter, the Convention on the Suppression of Crimes of Genocide, and the Universal Declaration of Human Rights—all these documents bearing the signatures of the U.S.S.R.

The Estonian, Latvian, and Lithuanian peoples, historically and traditionally Western in orientation and outlook, placed their hopes in the Western World. Their trust and reliance in the West was strengthened by the declaration of the U.S. Department of State of July 23, 1940; the statement of the President of the United States of October 15, 1941; the Atlantic Charter; the Yalta Declaration on Liberated Europe; the repeated statements by the U.S. Government about non-recognition of the Soviet annexation of the Baltic States and continued recognition of their diplomatic representatives; and the proclaimed aims and principles of the United Nations.

The Baltic peoples have given active expression to their determination to regain freedom, and have resisted their oppressors, thus contributing greatly to the still continuing struggle for freedom and justice being waged by all captive peoples enslaved

by the Soviet Union. Despite heavy setbacks and trials, our peoples maintain their faith in the restoration of their freedom and independence.

This summer the Soviet occupant will unveil a macabre spectacle—a festive celebration of the 20th anniversary of the enslavement of the Baltic States during which the captive Baltic peoples will be pressed to appear grateful to their conquerors.

We—free Estonians, Latvians, and Lithuanians—are conscious of our responsibility toward our nations and toward history. At this 20th anniversary of Soviet aggression, we feel dutybound to give voice to the aspirations of our captive peoples:

We accuse the Soviet Union of committing and continuing an international crime against the Baltic States;

We demand that the Soviet Union withdraw its military, police, and administrative personnel from the Baltic countries;

We request that the governments of the free world, especially those of the great powers, undertake all peaceful ways and means to restore the exercise of the right of self-determination in the Baltic countries and in the rest of east-central Europe;

We appeal to the conscience of all mankind to perceive the magnitude of the injustice perpetrated upon the Baltic countries and to support the efforts toward the restoration of the liberty of these countries;

We convey to our people at home our pride in their resolute resistance against the endeavors of the oppressor to destroy their national and personal identity;

We express to our peoples behind the Iron Curtain our deep conviction that the Soviet system—as all tyrannies throughout history—carries within it the seeds of its own destruction; that it cannot and shall not prevail;

We pledge to intensify our joint organized activity in the free world to promote the cause of liberty for the Baltic countries;

We, finally, declare to the free world and the Communist-dominated world, including the U.S.S.R., that, once free again, the Baltic nations will do all in their power to ensure the best possible relations with their neighbors on the basis of mutual respect for national sovereignty and territorial integrity.

Vaclovas Sidzikauskas, Chairman, Lithuania; Alfreds Berzins, Deputy Chairman, Latvia; Leonhard Vahter, Deputy Chairman, Estonia; Jaan Tiivel, Estonia; Eduard Vallaste, Estonia; Adolfs Blodnieks, Latvia; Vilis Hazners, Latvia; Dr. Vilis Masens, Latvia; Juris Slesers, Latvia; Msgr. Jonas Balkunas, Lithuania; Col. Jonas Slepetys, Lithuania; Dr. Antanas Trimakas, Lithuania, Members.

**Protest Proposed Extension of the National Sugar Act**

**EXTENSION OF REMARKS**

OF

**HON. E. Y. BERRY**

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. BERRY. Mr. Speaker, under leave to extend my remarks I protest the proposed 1-year extension of the present National Sugar Act which would give to Cuba an unnecessary and an unfair windfall of some \$15 or \$16 million worth of sugar.

The House Agriculture Committee on almost a straight party line vote has passed a provision which would extend the National Sugar Act in its present form for an additional year.

Under terms of the act, Cuba is authorized to export into this country 3,119,655 short tons of sugar. This is bad enough, Mr. Speaker, when it is considered that the price Cuba will receive for this sugar imported into the United States is almost twice the world price, but this is only half of the story.

Under the existing law when offshore islands and American possessions are unable to meet their quotas, the quota that is thus unfilled is redistributed. Because of a shortage in Hawaii, Puerto Rico and the Philippine Islands, these countries will have a deficit of some 500,000 tons. Under the law 156,000 tons of this deficit would be assigned to Cuba, and under the law there is nothing this country could do except to assign this additional tonnage to Cuba. It would mean a windfall to Cuba of some \$15 to \$16 million.

Mr. Speaker, it may not be possible to rewrite the National Sugar Act this year and reduce the Cuban quota, but certainly it is not necessary for this Congress to extend the existing law and give to Cuba 156,000 tons, or a subsidy above the world price of some \$6,800,000 at a time when Cuba will be spending that money to propagandize the balance of the Latin American countries against the United States and in favor of communism.

**Annual Flag Day Program of Lodge No. 102, Benevolent and Protective Order of Elks, Altoona, Pa., June 15, 1960**

**EXTENSION OF REMARKS**

OF

**HON. JAMES E. VAN ZANDT**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. VAN ZANDT. Mr. Speaker, one of the most impressive Flag Day programs in Pennsylvania was sponsored by Elks Lodge No. 102 in my hometown of Altoona, Pa., on June 15, 1960, at 8:15 p.m.

It was a privilege to participate in the Flag Day program and to deliver the following address:

FLAG DAY, 1960, ADDRESS BY JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, AT THE ANNUAL FLAG DAY OBSERVANCE OF LODGE NO. 102, BPOE, ALTOONA, PA., JUNE 15, 1960

Since the foundation of our order, the Elks have identified themselves with the cause of American patriotism, and have paid constant and conspicuous honor to the flag.

In addition, the BPOE has been in the forefront of the popular movement for national and public observance of Flag Day.

We of the Elks have made it our business to know the meaning of the Flag, and to fulfill our obligations of respect and love for the flag.

And finally, to give the flag's message of patriotism to all the citizens of our country, particularly the youth.

At this moment in history, when the disgraceful performance of Premier Khrushchev in canceling the scheduled summit meeting has offended America and damaged the prospects of international peace, it is a particularly appropriate time for Americans to rally, with enthusiastic unanimity, to the observance of this festival of our national unity and strength.

The flag, like the President of the United States, stands before the world as the symbol of the Nation.

The flag, however, is an impersonal symbol, nonpartisan, above any political dispute or disagreement.

It stands, in essence, for the spiritual ideals of America, for the virtues displayed by America's founders, and intended to be fostered by the Constitution.

Primarily, the flag stands for our national independence, and for the individual freedom of each citizen.

In our flag, we can read the basic meaning of those famous "checks and balances" written into our form of government.

This is the principle that each man's liberty is under the rule of law—that no man's liberty can be freedom to oppress another or invade his rights—that government itself, the guardian of our liberties and preserver of our rights, must be held back from invasion and injustice.

This is the principle of the rule of the majority—qualified by the important restriction that minority rights, and individual rights—must not be violated.

But the flag, this tangible, visible symbol of our country, stands for something more solid and perceptible than the ideals of freedom and justice that inspire us.

It represents the land itself, and its people. Each of us, looking at the flag should bring before his imagination his own home, his family and friends.

He should think of, and visualize, the people and the surroundings he loves best, for there is the focal point of his patriotism.

Patriotism must spread out from self and family, from home and hometown, to encompass the multitude and the broad lands and waters of America.

A man's love of country, thus rooted in his native soil, and fostered by his relations with kin and community, stays real and practical and vivid as it grows to take in the scope of America.

The faces, and the landscape, that mean most in his life, should be firmly connected in his mind and imagination with the idea of the United States, and with the image of the Stars and Stripes.

He may think of a hero and a mountain, of his wife and a tree-surrounded home, of a child and a sea wave on the shore.

To some people, the fact that the flag means America may be brought home most forcefully in the experience, actual or remembered, of seeing it bravely flying in some foreign land, or on the broad expanse of the ownerless ocean.

Not only our land and people of today are represented by the flag however.

This vast expanse of land, this great variety and number of people, is not enough to exhaust the depth of symbolism in the flag.

All the history of America lies in those folds, those red and white stripes, those white stars in the blue field.

In the 13 stripes—in the 13 stars—with which the flag was provided when it first met the breezes of the earth and the light of heaven—we preserve at once the memory of the Thirteen Colonies, so long ago established.

We recall their existence before they rose to demand their independence.

We preserve at once that memory of long ago, and the present existence of those same colonies as sovereign States in our great Union.

We of the Commonwealth of Pennsylvania are justly proud of our place among those Thirteen Original Colonies.

As we look at the flag we see our own colony—with its heritage of religious faith and toleration—with its memory of William Penn and his even-handed justice—with its strong central position in the establishment both of the confederation and of the Union.

It was in Philadelphia that the delegates from the colonies signed the Declaration of Independence.

It was in Philadelphia that the delegates from the States signed the Constitution.

Thus, Pennsylvania has played a major part both in making us free, and in making us one.

The Brandywine, the Delaware, and Valley Forge, will live in American history as long as the hearts and minds of men remember the youth of our country—and the sacrifices brave men made that they, and their sons, might be free.

Here in our flag is enshrined our political structure—what Chief Justice S. P. Chase, in 1868, defined as an "indestructible Union composed of indestructible States."

Each State is represented by a star, though we do not assign a special, numbered star to one named State.

Here, in physical, visible form, is shown the fact that our Nation is composed of many distinct political entities.

The flag is, in a sense, a pictorial representation of the ancient motto of our country: "E Pluribus Unum."

By a triumph of political wisdom, and by agreement forged out of a great conflict of keen minds and strong wills, the delegates to the Constitutional Convention worked out a system of government.

This system of government has stood the test of well-nigh two centuries of time, of civil and foreign wars, of prosperity and financial disaster, and of tremendous growth in territorial extent and in population.

The amendments we have made to the Constitution have not been real alterations, to the structure of the document, and to the structure of the government envisioned in the document.

In the flag today, as it represents our Government under the Constitution, we see the working of the structure envisioned by men of high philosophic thought and earnest devotion to principle.

Their efforts brought into being the cooperation of practical politicians, businessmen, and lawyers, who, through the years, have plugged the gaps and smoothed the rough places in this bold device for harnessing liberty and justice in one ordered team.

From our childhood, we have connected the red of the flag with the thought of the blood of heroes.

Certainly no American patriot can look at the flag without some thought of those who have died, on their native soil or abroad, on land or at sea, fighting under the flag and in its defense.

That banner waved over the victory of Yorktown as over the brave defense of the Alamo.

Men have bled for it in the mountains of Korea, as on the plains of Kansas.

In that flag we find the idea of courage, courage to live and die for our country, and for the ideals that make our country great.

The red is the red of our hearts' blood, whether poured out in brave sacrifice on the field of battle or surging in a living tide of hope and ambition for the service of the Nation in a time of peace.

We are inclined, too often, to forget our youthful idealism and enthusiasms, and, in particular, not to think of the flag except when it is brought forcibly to our attention by some official occasion such as the present.

Each of us needs, I am sure to think over his way of life, and see if patriotism and the

flag that is the visible symbol and token of patriotism, plays a sufficiently large part in his home and daily routine.

Each citizen should have a flag—that goes without saying.

But, having a flag, it is incumbent upon him to show it proper respect and reverence in all ways.

He should keep it clean and covered when it is not flying—to protect it from any indignity or neglect at all times—and to raise and lower it, on appropriate occasions, with solemn though simple ceremony.

A man should go out, early in the morning of a national holiday, to put his flag out, not in the casual manner of one getting the morning paper or taking in the milk, but with some slight ceremony.

I know one man, for example, who makes a point of having his little children go out with him, and then, when the flag is flying, they recite together the pledge of allegiance.

It is a simple matter—easy and not at all time consuming—but it is likely to give the little children a memory that time will not erase from their minds.

At home—in school—in youth organizations such as the scouts—respect and honor for the flag must be taught with constancy and enthusiasm.

Our children must come to manhood and womanhood with a sure understanding—a confident resolve—so that they will be ready to serve their country in time of need with earnest devotion.

One of the most essential elements in the education of American youth is education in the meaning of the flag—and in the loving service that is due from each of us to the flag—and the country for which it stands.

When a woman comes to be a wife and mother, when a man is called to be a soldier, sailor, or airman—then it is too late for this basic training in patriotism.

If a person's heart and head are 4-F in this matter of patriotism—a healthy body and mental keenness will do us no good.

Last year and this year are great times in the history of the flag, and we should do our best to emphasize, in our own consciousness and in the public mind, the importance of the tremendous events that have changed the look of the flag, twice in 2 years.

We have acquired, as of last July 4, a star representing a vast new State—a land of magnificent scenery, great variety of climate, and a people of vigor and ambition to match the resources and scope of their land—the great new State of Alaska.

Tonight I have the honor to present to the Elks of Altoona a flag, not yet legally the flag of the United States.

It is the flag of the United States of the future—in this case definitely the foreseeable future—since it is established by law that this 50-star flag will become officially the flag of the United States on July 4, 1960.

The 50th star, thus to be added to our flag, and now visible in this preview, is a star of many particular glories.

The State of Hawaii, for which it stands, shares with Texas and California the distinction of having been an independent nation before seeking annexation by the United States.

Hawaii, too, stands in an unusual position in being far overseas from the mainland of the United States.

We warmly welcome to our Union a sovereign State of romantic history—of well-developed culture—of a high standard of education—of thriving agricultural, manufacturing, and commercial prosperity.

This independence day will be a day of special joy and pride for those most deeply concerned with the relations between America and the Orient—for we have—by welcoming Hawaii to the society of equal States, accepted the equal partnership of a people predominantly, oriental in ancestry.

I am sure that our Altoona Local Lodge No. 102 of the Elks will boldly continue its long-established custom of furthering, by word and example, the strict observance of flag etiquette.

These are forms, as you and I are deeply aware, of vital inward meaning, and of importance in forming the character of the citizen.

I think of the casual word spoken to me the other day by a young man:

"You know, maybe it's my military training, but I just like to see the flag folded up the right way."

These matters are not so small as they look.

The man who has learned a particular way of folding the flag, in scouts or military or anywhere else, has a routine in mind, but a routine with meaning.

There is a practical meaning—the flag folded up the right way when hoisted on the pole, will unfurl properly at the top.

When the flag is folded, it is in the shape of a compass, and easily stored.

By showing a portion of the union, it is instantly identifiable as the flag, and cannot be confused with striped bunting.

Finally, each of us owes to the flag the affection and respect that he owes to the persons nearest and dearest to him.

For after all it is those persons, themselves, who are at the heart of the symbolism of the flag we honor on this Flag Day of 1960.

**Address by Senator Mike Mansfield, of Montana, at 58th Annual Session of Inland Empire Education Association**

**EXTENSION OF REMARKS  
OF**

**HON. HENRY M. JACKSON**

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES  
*Thursday, June 16, 1960*

Mr. JACKSON. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a significant address by Senator MIKE MANSFIELD before the 58th annual session of the Inland Empire Education Association in Spokane, Wash., on April 8, 1960.

This address, entitled "The State of Our Foreign Relations," reflects the exceptional understanding, analytic ability, and constructive outlook of the distinguished assistant majority leader. This address should have a wide reading.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

**THE STATE OF OUR FOREIGN RELATIONS**

(Address by Senator MIKE MANSFIELD, Democrat, of Montana, 58th annual session of the Inland Empire Education Association, Spokane, Wash., April 8, 1960)

An invitation such as you extended to me is an invitation to come home. It is an invitation to think through old questions in the fresh but familiar perspective of this wonderful part of the Nation.

Of these questions, that of foreign relations is most compelling. As Americans, we need to understand the problems of foreign relations because none of us escapes their consequences. As teachers—I am still one of you although my membership in the club has temporarily lapsed—as teachers, we need not

only to understand these problems but also to stimulate the capacity of others to understand them. We need especially to convey something of their meaning to the young people who must live in the world which our foreign policies now are doing much to shape.

Let me say, at the outset, that foreign relations are not the products of alchemy. They are the consequences of human acts. As such they are not beyond normal human comprehension. To be sure, the conduct of foreign relations is largely in the hands of specialists and that is as it should be. But in a Nation such as ours, the work of these specialists needs the understanding and broad guidance of our people if it is to be done most effectively.

Foreign relations arise because each nation in the world, as it comes into contact with others, has its hopes, its interests, its fears. Each expresses these national drives in its foreign policy. If the policy is effective, it advances the hopes and interests of a nation, not at the expense of others, but by the process of reconciliation and accommodation. In so doing, it mitigates the fears on all sides. In so doing, it acts for peace.

To put it briefly, an effective foreign policy is one which serves national needs in a complex world, a world of many nations, and many needs, by methods other than those of the jungle.

How do we grasp the essence of these matters? How do we convey an understanding of them to others? These are questions which have preoccupied me for some time, particularly in anticipation of this meeting with you who are specialists in the process of understanding the complex and helping others to learn to understand it.

It seems to me that we do not begin to appreciate the dimensions of the problems of foreign relations, if we employ as yardsticks such familiar terms as isolationism or internationalism. These are ambiguities of the past and they do not help us in the present. As far as isolationism is concerned, I think that, as a nation, we have long since recognized the impracticability of a policy designed to insulate ourselves or even the Western Hemisphere from the massive currents which flow through the world and the storms which beset it. The military conflicts, three in the lifetime of some of us, have dispelled the illusion of isolation. As a more recent reminder, if any is needed, I call to your attention the Soviet test rocket which dropped into the Pacific some weeks ago. It landed about an hour after it had left a launching pad almost 8,000 miles away.

I do not think it is necessary to labor the point. It is clear that, for better or for worse, we are in and of this world or, in these days of space exploration, perhaps I should say in and of this universe. It is obvious that it will be for worse rather than better if we close our eyes to that fact or try to pull the cover over our heads to shut out that fact.

I do not say that the urge to isolationism, this urge to escape from reality, is gone entirely from the Nation. It is there to some degree, but it is no longer the principal source of our difficulties in foreign relations. The present problems come more, I believe, from a rather widespread belief that all which is classifiable as internationalism has, per se, a special claim to virtue.

The fact is there are no panaceas in an indiscriminate embrace of internationalism any more than there is escape in isolationism. That is the point I wish to stress most strongly. Let me illustrate it by a story which, since you are teachers, may shock you, but a story whose meaning will not be lost on you. As teachers we know, I think, better than most, of the immense value to our relations with other nations, of improving our abilities in foreign languages. In recent years, the teaching profession has given great emphasis

to the study of languages and the Government has taken steps to encourage it. That is a most desirable development. What we may overlook in our present enthusiasm for this great tool, however, is that it is only a tool. It is not a foolproof guarantee of effective foreign relations. The story with which I wish to illustrate the point is that of an American diplomat in Latin America some years ago. He made public statements which did a great deal of damage to our relations with that part of the world. Yet he spoke these statements in perfect Spanish, of which he was a master. The Latin Americans were astounded by his knowledge of Spanish. They were even more astounded and, in addition, were infuriated by what he said in Spanish. Obviously, here was a case where our relations might well have profited from someone with rather less capability of communicating in that language.

As it is with languages, so it is with policies of internationalism in general. It by no means follows that if 5 American military bases abroad are helpful, 10 will be doubly helpful. It by no means follows that an aid program which costs \$5 billion a year will be five times more useful than a program which costs \$1 billion. It by no means follows that if 20 American representatives are doing an effective job in a country in Asia, 200 representatives will increase the effectiveness by a factor of 10. It by no means follows that each additional agency added to the United Nations system will increase the total contribution which that useful system makes to peace. In short, in any category of action, not excluding international action, it is possible not only to go beyond the point of diminishing returns but even to the point of increasing loss.

What I am suggesting, then, is that we need to divest ourselves of the notion that all policies, all acts automatically are to be sanctioned if they are classifiable under the general heading of internationalism. There can be illusions no less misleading, no less dangerous to the hopes and interests of the Nation in this generalization than those which appeared at an earlier time in the guise of isolationism.

The basic problem of maintaining effective foreign relations and of building peace, insofar as we can contribute to it, lies not so much in more policies or more machinery but in giving fresh direction to existing policies and in refining the machinery by which these policies are now pursued. If we would meet this problem we need, first, to see the world as it is. We need to see it as it is now, before we can reasonably hope to see it as we should like it to be. We need to see our present policies as they are, rather than as we imagine them to be.

No illusion in our present understanding of the world is more misleading than that which assumes that there has been peace since a truce was signed in Korea in 1953. To equate the present situation in that country or, indeed in most parts of the world with peace, may well be to equate it with the period of 1940 in Europe, the period of the so-called phony war just prior to the German drive into the lowlands and France or with the state of Japanese-American relations on the eve of Pearl Harbor.

If it is enough to define peace as the immediate absence of gunfire then I suppose the present world situation, on the whole, may be so regarded. But if peace means to you what it means to me, a reasonable assurance that the young people whose education is now in your charge shall have an opportunity through that education to develop their potentialities and to grow into constructive maturity without the ever-present prospect of sudden and immense devastation being visited upon them, then the present situation cannot be defined as peace. We have a long way to go to peace. To create the illu-

sion that we have already arrived at it, is to do a grave disservice to the Nation. That, may I say, is one of the principal dangers of goodwill tours and meetings at the summit, whatever advantages they may offer.

We shall not achieve peace by studying the applause meters or the comparative Hooper ratings of Mr. Khrushchev and Mr. Eisenhower in India or France or wherever else they may visit. The road to peace does not lie in the winning of international popularity contests. Rather, it lies in the reduction of the fears which push nations and systems of nations toward military clash. It lies in a frank recognition of conflicting national interests and ideological hopes and, if they cannot be reconciled at this time, in turning them away from the channels which lead to the nuclear destruction of a recognizable civilization in the world.

If we scan the principal regions of the world we shall be able to discern quickly that there is no peace in this sense, but, instead, a series of points of potential conflict. In the Far East, these points are to be found in Korea, in the Formosan Straits and in Indochina. In each of these areas, a truce written or unwritten prevails. The truce conceals but it does not heal the ideological and political divisions which plague the Korean people, the Chinese people, and the people of Vietnam and Laos. In the case of Korea, the 38th parallel is still guarded 24 hours a day on both sides. In the Formosan Straits, Chinese Communist guns fire from the mainland at the outpost islands of the Nationalists—at Quemoy and Matsu—every other day. In Indochina—in Laos—there was a narrow escape from a large-scale conflict just a few months ago and the situation remains unstable. In Vietnam a rigid division separates the Communist north from the free south and shows no signs of closing in peace.

In short, throughout the Far East, there exists, in excess, one of the most common precipitants of war—unnatural political divisions of peoples who are in reality deeply united by culture, by geography and by history. I shall not review the circumstances which brought about the divisions. All of them, to be sure, are overlaid with the ideological schism between communism and freedom. But each division, too, has its own local characteristics. It is to these characteristics no less than to the broader ideological question which we must look if there is ever to be a full understanding of the situations, and, hence, a chance for them to evolve in the direction of a stable peace. That refinement of the problem in policy has yet to begin.

Until it begins, a basis does not exist upon which to proceed toward peace. Any suggestion that our policies have actually produced peace in these areas is gravely misleading. It obscures the problems which sooner or later, may well engulf in conflict not only those peoples immediately involved but the world and ourselves as a part of it.

What our policies have done so far is to buy time in the Far East. We have spent billions through the deployment of our own Armed Forces in that region and through aid programs to hold the line against a Communist advance. Thousands of American and other lives were sacrificed to the same end in Korea. But I repeat: All we have done so far is to buy time in the Far East.

If we look elsewhere in Asia, to China, we find still another common cause of conflict. We find a nation recently revived from a long slumber which had been induced by an inner decay and by outer pressures upon it, now being revived under the forced draft of a militant totalitarianism. This revived China tests its new-found strength in an aggressive and brutal probing into territories of its neighbors. The China of today is a China which is vastly different—so far as we

can judge, for our information is all second hand—from the China to which we were allied during World War II. It is a China in which tens of millions of young people are coming of age with no direct knowledge of Americans but with an induced hatred of this country and its institutions.

Let no one underestimate the long-range effect of these years of animosity between ourselves and China. It is, to say the least, illusory to talk of peace while the animosity is present in virulent form. It is illusory to talk of peace with a China on the march, not in the paths of progress by accommodation with other nations but in the ancient way of empire under a canopy of modern totalitarian trappings. I do not say that this development—the emergence of a new and bristling China—in the heart of Asia must lead inevitably to war. I do say that I see little in it or in our policies with respect to it which warrants the assumption that we are at peace.

Moving westward to the Middle East, here, too, we find a situation which by no stretch of the imagination can be identified as peace. Rather, it is a situation of suspended war. On repeated occasions in the past, the suspension has all but ended in grave border clashes. On two occasions, at the time of the Suez crisis, and in connection with the Lebanon crisis, the world dangled with one foot over the brink of disaster. Our political intervention at the United Nations in connection with the Suez crisis may have forestalled a total collapse in the Middle East. Our military intervention in Lebanon may have had the same effect. But Communist penetration of that area—economic and political—has not been curbed nor has a basis for peace been established.

The Eisenhower doctrine on the Middle East was intended to help achieve both objectives. So, too, have the enormous sums of public funds which have been spent on various kinds of aid to that area. Yet both have proved remarkably ineffective.

It is conceivable that we may have helped to hold back the floodwaters of conflict in that region by our acts of intervention and by our aid, but we have done little if anything to disperse or to rechannel them constructively. And behind the barriers which our policies have tried to build, the floodwaters are accumulating in a dangerous fashion. Each outbreak in the Middle East appears less controllable than its predecessor. In these circumstances it is, to say the least, illusory to talk of peace.

If there is grave instability in the Middle East, the same is true for Africa. New forces are at work in that continent which we are just beginning to recognize in policy, let alone understand.

For decades Africa was preponderantly a region acted upon rather than a region which acted in international relations. Since the end of World War II, however, seven new nations have come into being in Africa. This year, an additional five are scheduled to achieve independence and more will follow in due course. This enormous and rapid political change alone is sufficient to bring about massive problems of readjustment. But it is not only a political upheaval which rumbles through that great continent. Other forces common to all the underdeveloped nations, from eastern Asia to Latin America, are felt no less strongly in Africa. The urge is there, for human equality and for a continuing and rapid modernization, with its promise of economic and social benefit to all peoples. The urge is there, but the means to satisfy it adequately in peace have yet to be devised either by the African nations themselves or in concert with others.

Again, Africa is in danger of being more acted upon rather than acting itself in international affairs as it finds itself increasingly the focal point of rival ideologies and sys-

tems. This competition for African favor may be flattering to the Africans for the moment but it contains accumulating dangers to them and to peace. The dangers will be curbed only as Africa, increasingly, finds its own way in the world, largely by its own genius and efforts. I venture to say that if the continent is not sidetracked by the blandishments from outside during this transition, if it does not become careless with the strong new wine of national independence, it will in due course make an enormous and unique contribution to the progress of mankind and to peace.

I should note in this connection that with the political transition in Africa, the composition of the United Nations General Assembly is changing in a fashion which assures a decisive voice to the Afro-Asian nations. As you know, it is in the General Assembly that expression is given to worldwide aspirations. We can hope that the Afro-Asian nations and this Nation will more and more see the problems of peace and freedom in similar perspective and that their voice will be raised in harmony with our own. That is, however, by no means a certainty. If much depends on the manner in which the African nations develop and use their newly achieved freedom, much also depends on the wisdom and the sensitivity of the policies of the older free nations toward the changes which are taking place in the emergent African Continent.

Much closer to home are the problems of peace in Latin America. Notwithstanding the President's recent good will tour we are still faced with the need for harmonization of Latin American interests with our own. Beneath the facade of hemispheric unity there are deep divisions and much dissatisfaction particularly in economic matters. Fortunately, the present state of our relations with Cuba is not typical of our Latin American relations. But, then, neither was the very warm welcome extended to President Eisenhower in any way typical. As a man of good will, Mr. Eisenhower invariably evokes a response of good will. A firm basis for sound relations, however, is not conjured up out of ceremonial journeys of less than 2-week duration. Such journeys may open doors but the problem of keeping them open is one of followthrough in policies.

It seems to me that the need now in inter-American relations is a broad movement forward to new and higher grounds of hemispheric understanding and cooperation. We need this development in inter-American education and cultural exchange no less than in defense. We need it in economic matters no less than in political questions. And if our great neighbor to the north, Canada, is so inclined, we should welcome its participation in any and all matters of hemispheric interest. Unless this movement forward begins soon and in earnest, I am afraid we may anticipate in this hemisphere whose solidarity is an essential of peace, at worst, more sharp clashes in the present Cuban pattern and at best, a steady erosion of hemispheric intimacy which will increasingly drain inter-American ideals of their substance.

Turning next to Europe, we find there, too, an illusion of peace which masks deep and dangerous divisions. That is particularly the case in Germany but it is also true of the entire continent which is split asunder by the ideological cleavage. Across the chasm only rickety bridges of contact are maintained.

If there is a need for progress toward unity in the divided countries of Asia, there is a compelling need for progress toward unification in Germany and for a growing reconciliation between Eastern and Western Europe.

Until recently, at least, our policies on Europe had remained unchanged in essentials for a decade. We have been engaged

in a vast holding action in the fear that the Russians might attack Western Europe, a fear which was intermingled with the hope that sooner or later the Russians would withdraw from Eastern Germany and Eastern Europe. To that end, we spent billions to rearm Western Europe and to maintain our forces in that region. The Russians, similarly, have engaged in a vast holding action—an action in the expectation that Western European freedom would fall prey to communism and an action to hold on to a dominance in Eastern Europe which they had obtained in consequence of World War II. To that end they have kept military forces in the Eastern European nations and rearmed those nations and, until the advent of Mr. Khrushchev, minimized contacts between East and West.

It is increasingly clear that these policies have not led to the achievement of the aims of the one side or the other. The Communist grip shows no signs of weakening in Eastern Europe and freedom has come back with great vitality in Western Europe.

Certainly, the policies now pursued have not led to peace. They have been, on both sides, holding actions which have produced, at best, an unstable truce based upon a Germany split inside the larger split of Europe. That the truce is highly unstable was indicated by the first German crisis last year. This crisis arose out of the mere announcement that the Russians intended to change one factor in the situation: that is, to withdraw from Berlin and the routes of access to the city in favor of the East German Communists. It is ironic that a Russian announcement with a withdrawal, of all things, should produce a crisis; yet it did so, for the move threatened to upset the present delicate balance which depends, with equal irony, on the continued Russian presence in Eastern Germany.

In the round of good will tours and conferences, the Russians were persuaded to remain a while longer in Berlin and Germany and the crisis eased. The source of crisis, however, remains in the outdated policies of both sides in Europe. In short, the tours and conferences have served as safety valves but I need hardly emphasize the danger of relying indefinitely on safety valves. Sooner or later, it will be necessary to come to grips in a practical fashion with the problems of a divided Germany and a divided Europe. The visiting back and forth, notwithstanding, the promise of peace will be illusory until the divisions in Germany and Europe begin to close in peace on the basis of policies attuned to today's realities rather than yesterday's expectations.

In the same fashion, the problem of control of armaments—armaments of massive destruction in particular—must begin to yield to tangible solution before we can talk of peace in any meaningful fashion. We have watched the mathematical progression in the development of the megaton power of these weapons since the end of World War II. The Russians, the British, no less than ourselves, have advanced from a capability of destroying cities to a capability of destroying nations, to a capability of destroying civilization. The number of nations able to produce such weapons has increased from one in 1945 to four in 1960 and is subject to further increase if other countries who have the capacity decide to deploy their science, technology, and energy. The missiles of delivery have improved, from the crude but destructive V-bombs which carried devastation to London in the closing days of World War II to those which encircle the moon and the sun in 1960.

All the while the wisest humans among us, the most compassionate humans among us have warned the world of what it is about in this deadly race for greater and more certain means of human annihilation. All

the while, there have been disarmament conferences in which these words of the wise have been echoed with a remarkable unanimity by all nations. Yet a decade and a half has passed and we have yet to achieve a single agreement, signed and sealed, for the control of armaments. I do not wish to minimize the difficulties involved in this process but surely there is something amiss, something illusory when all endorse the warnings of wisdom, when all agree on the extent of the danger to all and yet agreement is not achieved which makes possible even the beginnings of a beginning of substance on this critical problem.

In 1955, I suggested that a summit conference be held on the one question of ending the testing of nuclear weapons. Five years later, we may be on the verge of such a conference. If it can now produce this one achievement it will mark a major, if long-delayed, step forward. Important as it would be, however, this achievement will be but the start of a long road. Until there exists a firm pattern for the progressive extension of international control over armaments we will do well not to speak of peace as prevailing in the world. This pattern, moreover, is not likely to be established until the political differences and divisions which I have been discussing begin also to yield to practical and progressive solution. In this connection, I may be wrong and I hope I am wrong but I see little likelihood that the current session of the disarmament conference in Geneva, any more than its innumerable predecessors, will lead to any agreement of substance.

If I may summarize, then, let me say that the United States has made, in the past decade, a vast international effort. That effort has helped to keep open the prospect for peace but it has not yet begun to produce conditions of peace in any significant degree. In no single instance is this more evident than in foreign aid. We have made available for such purposes, funds approaching \$100 billion since the end of World War II. The great bulk of this aid has gone to restore the damages of war or to hold by military means existing situations against deterioration. The positive aspect of aid as it is currently expressed in the point 4 program of technical cooperation and in loans for modern development has a relatively small part of the total aid program ever since the Marshall plan came to a successful termination. In the current year, for example, the President has requested \$4.1 billion for foreign aid. Of this total, however, only \$200 million is for point 4 aid and \$700 million for development loans. By contrast \$2 billion is for military aid and \$700 million for military-related defense support.

In short, we will do well to recognize still another illusion in our policies; namely, that the vast amounts of aid now being spent is of a kind which necessarily builds conditions of peace. By far the larger share, as I noted, serves primarily to hold existing situations as they are and only a relatively small proportion goes into the constructive effort which is essential in Asia, Africa, and Latin America if we are to have a reliable peace.

Many Members of Congress who recognize the importance of foreign aid in the conduct of our foreign relations have been pressing for years to bring about reforms and refinements in this program. We have sought and we will seek again to consolidate fully the functions of the aid agency with those of the Department of State. We have sought and we will seek again to give added emphasis to economic aid as contrasted with military aid. We have sought and we will seek again to substitute as far as possible long-term loans on easy terms for large grants of aid. We have sought and we will seek again to protect and advance the point 4 concept, that is, the people-to-people type of technical

assistance. We have sought and we will seek again to bring about a united aid effort which draws increasingly on the cooperation of Western Europe and Japan, whose recent progress has been such as to enable them to assume a much larger share of the initiative and the cost of assisting the less favored nations.

Discriminating changes in any major governmental undertaking such as foreign aid are hard to bring about by action from Congress. We can alter legislation as we have done, or pass new legislation, but in the last analysis, effective change depends even more on the administration which has the responsibility for giving effect to the law. In this connection, I would call to your attention the fact that on two separate occasions in the past Congress voted to abolish the aid agency and turn its functions over to the Department of State and the Department of Defense. And two times this action was reversed by the administration which, on each occasion, reconstituted the aid agency under a different name. Despite such setbacks, some progress has been made in streamlining and improving the administration of the aid program but much still remains to be done.

The aid program is, in many ways, typical of our foreign policies as a whole. The problem of bringing about effective foreign relations lies not so much in new policies and new machinery as it does in sharpening existing policies and refining existing machinery. The absence of clear-cut, attainable objectives and the moribund administration of the aid program—as a recent Senate study of the program in Vietnam made clear—are principal weaknesses in foreign aid. So, too, are these factors of weakness in our foreign policy as a whole. I have no desire to minimize the tasks of the President and Secretary of State in these matters. There is an exacting responsibility. Nevertheless, it seems to me that there is a great need to look beyond and to act beyond the expensive holding action in which we are now engaged throughout the world. We need to see anew the facts of the divisions in Asia no less than those in Europe. We need to think anew the costly and ineffective effort merely to keep the situation as it is in the Middle East. We need to recognize fully the defects of the aid effort in Asia, no less than in an emergent Africa and in Latin America. We need to sharpen the policies by which we deal with these problems, in the hope that the problems may begin to yield to practical solution. In short, we need a new determination and a new approach to foreign relations which will move the Nation forward from this costly, lackadaisical and dangerous illusion of peace toward the reality of peace.

### Protest Against Small Business Administration Policy and Matters Pertaining to the American Economy

EXTENSION OF REMARKS  
OF

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. DENT. Mr. Speaker, I know this session is about to end and adjourn sine die.

Even so, I must call to the attention of the House a serious matter and one that will effect every nook and corner of our country, our economy and our national well-being.

Recently at the request of a fellow Member of Congress, my friend and associate, FRED SANTANGELO, of New York, I had luncheon with an American small businessman.

The story he told about certain interpretations and rulings made by the Small Business Administration astounded me and caused me to do a little checking into matters that I believe should be checked by this Congress.

The case I present is only one of many that will be uncovered if a committee of this Congress will take the necessary steps to set up a proper and vigorous board of inquiry into the whole area of foreign influences and impacts upon our domestic economy.

The question herein involved is one that goes deeper than the setting aside of congressional intent and is intermeshed with the whole picture of foreign aid, trade, imports, exports, intrigue, collusion, national defense, national welfare, quotas, migration, immigration, and the complete gamut of greed, avarice, and exorbitant profits.

It spells out the serious impact upon national thinking by a new and powerful group, the foreign importers, foreign investors, and special interest groups whose influence is felt in legislative action in the many acts creating and perpetuating money lending, credit giving, concession granting agencies. The opening wedge covered in this case can be the pry needed to unlock the bolted doors that have kept Congress from the whole truth of deceit, profiteering, kickbacks, and other questionable practices that have been fed to the American public as an excuse for foreign relations in the better part of the past decade.

You may wonder why I bring in the whole field of trade and aid, in a simple little case involving less than \$5,000.

I do so because in this case we may find the straw that is breaking the camel's back. If an agency of Government created by the Congress for one specific purpose can circumvent the pronounced and spelled out will of the Congress of the United States, then maybe other agencies spending millions, even billions of taxpayers' dollars can be operating in the same mistaken area of disregard not alone for Congress, but in the main, for the people of the United States.

The invitations for bidding upon Small Business Administration contracts contain the following language:

#### NOTICE OF SMALL BUSINESS SET-ASIDE

Bids or proposals under this procurement are solicited from small business concerns only, and this procurement is to be awarded only to one or more small business concerns. This section is based on a determination by the contracting officer, alone or in conjunction with a representative of the Small Business Administration, that it is in the interest of maintaining or mobilizing the Nation's full productive capacity, in the interests of war or national defense programs, or in the interest of assuring that a fair proportion of Government procurement is placed with small business concerns. A small business concern is a concern that (1) is not dominant in its field of operation and, with its affiliates, employs fewer than 500 employees, or (2) is certified as a small business concern by the Small Business Administration. In addition to meeting these criteria, a manufacturer or a regular dealer submitting bids or proposals in its own name must agree to furnish in the performance of the contract, supplies manufactured or produced in the United States, its territories, its possessions, or Puerto Rico, by small business concerns; provided, that this additional requirement does not apply in connection with construction or service contracts. Bids or proposals received from firms which are not small business concerns shall be considered nonresponsive.

Further, let me quote from title 13—Business Credit and Assistance—chapter 1, Small Business Administration—121.3-8—Definition of small business for Government procurement:

(a) Small business definitions. A small business concern for the purpose of Government procurement is a business concern, including its affiliates, which is independently owned and operated, is not dominant in its field of operation and can further qualify under the following criteria:

(1) General definition. Any business concern (not otherwise defined in this section) is small if: (1) Its number of employees does not exceed 500 persons; or (2) it is certified as a small business concern by the Small Business Administration.

(2) Construction industry. Any business concern in the construction industry is small if its average annual receipts for the preceding 3 fiscal years do not exceed \$5 million.

(3) Food canning and preserving industry. Any business concern in the food canning and preserving industry is small if its number of employees does not exceed 500 persons exclusive of agricultural labor as defined in subsection (k) of the Federal Unemployment Tax Act (68A Stat. 454, 26 U.S.C. (I.R.C. 1954) 3306).

(4) Petroleum refining industry. Any business concern in the petroleum refining industry is small if its number of employees does not exceed 1,000 persons and it does not have more than 30,000 barrels per day crude oil capacity from owned and leased facilities.

(d) Definition of a small business nonmanufacturer. Any concern which submits a bid or offer in its own name, other than a construction or service contract, but which proposes to furnish a product not manufactured by said bidder or offerer, is deemed to be a small business concern when:

(1) It is a small business concern within the meaning of paragraph (a) of this section, and

(2) In the case of Government procurement reserved for or involving the preferential treatment of small businesses or one involving equal bids, such nonmanufacturer shall furnish in the performance of the contract the products of a small business manufacturer or producer which products are manufactured or produced in the United States: *Provided, however*, If the goods to be furnished are wool, worsted, knitwear, duck, webbing, and thread (spinning and finishing), nonmanufacturers (dealers and converters) shall furnish such products which have been manufactured or produced by a small weaver (small knitter for knitwear) and, if finishing is required, by a small finisher.

It would seem clear to any elementary school graduate that up to this point anyway, the set-aside provisions for Government procurement were established for one purpose and one purpose only, namely, to keep small business in America ready and producing in times of peace to be ready in times of war, coupled with the compelling need to keep all segments of our productive security economically sound and partici-

pating in the benefits of tax dollar spending by Government.

To think or act otherwise is contrary, in my humble opinion, to both the will of Congress and the welfare of our Nation in both peace and war.

In the face of the above plainly stated requirements, the Small Business Administration ruled in favor of an import firm against an American producer on Invitation Bid DA-Eng-11-184-60 B/E 485 JD dated April 15, 1960.

At this point, allow me to put into the record facts pertaining to this particular case that I believe will show to the Congress the utter disregard for the intent and will of the Congress involved in this decision.

Quoted below is an excerpt from a letter of protest from Union Instrument Corp. on the decision by the Small Business Administration to award a contract for foreign-produced goods:

The low bidder on the invitation was Geo-Optic & Paper Corp., who offered a price of \$2,876.50 against our offer of \$3,570. Since Geo-Optic & Paper Corp. is an import firm dealing mainly in foreign products, it has been determined that they plan to have steel blanks made in this country, and then forward them to Germany for the major and important part of the production—that is, calibrating, engraving, and finishing of the end products.

This matter was discussed in a lengthy meeting with Mr. James Mills of your office, attended by our Mr. Scavuzzo, and Mr. Q. Johnson, and Mr. Arthur Chodosh, attorney for our company. Mr. Mills did not give us any satisfactory explanation for disregarding the small business set-aside procurement provisions of the invitation and the provisions of the statutes and regulations governing such procurements.

Mr. Mills cited a case of a foreign produced cable imported to this country to which was attached a tip representing about 4 percent of the value of the finished product, which was qualified by the Small Business Administration as a product and manufactured in the United States. Mr. Mills took a box of pencils from his drawer and stated that in his opinion the pencils and box could be manufactured in a foreign country and could qualify as a product produced in this country if the importer simply sharpened the pencils in this country prior to sale. These were cited as the basis for the interpretation applied to our case.

At the end of a long discussion, starting in the morning, and finishing after lunch, Mr. Mills stated that he thought that an error might have been made, but could not offer any means of rectifying this error. This error, of course, is at our expense.

If our interests were to be protected, and to avoid a repetition of such strange interpretations, we felt that we were left with no alternative but to refer this matter to our Congressmen for clarification. We discussed this with a number of Members of Congress, and were referred to the U.S. Senate Select Committee on Small Business. After numerous discussions, we are now firmly convinced that this decision of yours is in violation of the terms of the invitation covering the small business set-aside provisions, and the statutes and regulations covering such procurements.

May we have your early reply to our protest?

Yours very truly,  
UNION INSTRUMENT CORP.

After reading the protest, I asked the Union Instrument Corp. officials to send me a report on the whole matter which I now make part of the Record.

UNION INSTRUMENT CORP.,  
Plainfield, N.J., June 6, 1960.

The Honorable JOHN DENT,  
House of Representatives,  
Washington, D.C.

DEAR CONGRESSMAN DENT: My meeting with you on Thursday, June 2, was an honor and a pleasure. Your grasp and understanding of the problem concerning a decision made by the Small Business Administration procurement as to foreign-made products was most gratifying.

Enclosed you will find a copy of a memorandum covering the facts in the decision which we are protesting. This decision, if allowed to stand, establishes a serious precedent particularly in view of a pending proposed change contained in Release No. 617, dated April 21, 1960, issued by the Small Business Administration, a copy of which you will also find enclosed.

Release No. 617 states that the major proposed change in this definition is to "bar firms from preferential treatment under the Small Business Act if the products they propose to sell to the Government consist of more than 50 percent of foreign made materials." The inference is that the regulations now allow foreign products of more than 50 percent. Actually, the reverse is the truth since none is now allowed as the regulations clearly state.

Under the terms of this proposed change, every procurement under the Small Business Set-Aside could be lost to foreign competition. This change does not protect 50 percent of such procurements for small business in the United States. It proposes to practically destroy the purposes of the Small Business Set-Aside program. Only a small portion of procurements are made by the Government under Small Business Set-Aside provisions, and now it is proposed to practically eliminate the last measure of protective regulation left for the small businessman.

The proposed change in Release No. 617 will take away one of the last remaining protections against disastrous competition and can only result in further hardship to small businessmen in this country. It is difficult to understand how such a proposal can come from an agency established to help small business in this country. The only small businesses which can benefit from this change are nonmanufacturers; importers, brokers, etc., of foreign produced products, at the expense of manufacturers and taxpayers in this country who have to pay for such procurements in their taxes.

Our industry has been seriously affected by foreign competition. Manufacturers in this country cannot compete with foreign labor costs. The history of the drawing instrument manufacturers in the United States illustrates the effects of lowered protection. At the end of 1945, there were at least 12 manufacturers of drawing instruments in this country. Now only two remain, and these two only because they make instruments of a quality and character with limited markets. The import duty in 1945 on drawing instruments was 45 percent, now it is 18 percent. Buy-American protection originally was 25 percent, and is now 6 percent. The net result is that 95 percent or more of the drawing instruments used in this country are of foreign make, chiefly German.

One of the stated purposes in Defense agency small business set-aside procurements is "that it is in the interest of maintaining or mobilizing the Nation's full productive capacity, in the interest of war or national defense programs." Should the Government be faced with an immediate need for large quantities of drawing instruments for engineering purposes, and if the German source of supply were cut off, it would be faced with a serious problem.

The originally announced purpose of giving vast aid to many countries by lowering protective tariffs, was to help build strong allies and friends. The rebuilding of these countries is more than complete. Germany is the main competitor of our industry on many manufactured items. It is now enjoying tremendous boom prosperity. Enclosed are two releases, one from the New York Times, dated May 11, 1960, and the second from the German American Trade News, dated March 1960, describing Germany's booming economy has been attained at tremendous cost to manufacturers in this country, some of whom have been forced out of business, and has caused unemployment in many areas with an adverse effect on our economy.

The importer, broker, etc., is now only affected by restrictions in small business set-aside procurements, not by the Buy-American differential of 6 percent. We recently quoted Weems Systems of Navigation on a requirement for 12,000 proportional dividers with special markings for the U.S. Air Force. This is an extraordinarily large requirement for this item. Our price of \$9 on an American made instrument could not compete with that of a German importer's price of between \$6 and \$7, with only a protective differential of 6 percent in price. While this may seem a savings for the Government, when the losses in taxes to the Government are considered, it is doubtful that anything has been saved. The loss to the manufacturer, and the American worker is serious. In addition, American business and American workmen have to pay for this procurement from a country booming with prosperity. This is particularly ironic in view of the fact that this item was designed by a domestic firm for use by our Air Force.

SEC. 2. (a) of the Small Business Act states in part as follows:

"It is the declared policy of the Congress that the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns in order to preserve free competitive enterprise, to insure that a fair proportion of the total purchases and contracts for property and services for the Government . . . be placed with small business enterprises."

It is respectfully submitted that the present regulations of the Small Business Administration granting preferential treatment to products manufactured or produced in the United States are in complete harmony with the purposes and intent of the Small Business Act, and any deviation from this regulation or any change in the regulations permitting the furnishing of foreign made merchandise to the U.S. Government, is contrary to, and in violation of the purposes of the law itself.

We respectfully urge you to oppose the changes proposed in Release No. 617, for the reasons outlined above. We are gravely concerned for our existence and the welfare of our workers if these changes become effective. This matter is being acted on now, and if you agree with our position, we ask you to take whatever steps you can to prevent these changes from becoming effective.

Your interest in this matter will be greatly appreciated.

Very sincerely yours,

S. SCAVUZZO,  
President, Union Instrument Corp.

B

UNION INSTRUMENT CORP.,  
Plainfield, N.J.

SECTION 121-3-8 of "Definition of Small Business Nonmanufacturer for Government Procurement, paragraph (b) (2), dated May 1, 1959, provides that in the case of Government procurements reserved for or involving equal bids, such nonmanufacturer shall furnish in the performance of contracts, the products of a small business manufacturer

or producer which products are manufactured or produced in the United States. The same provisions are contained in "Definition of Small Business" as amended June 1, 1957. Photo copies of both are enclosed.

Because the provisions of the invitation and the regulation require that a nonmanufacturer shall furnish in the performance of this contract, products of small business manufacturer or producer in the United States, Union Instrument Corp. took this matter up with the Small Business Administration Office in New York, and was advised that under the terms contained in the invitation, an award could not be made to a nonmanufacturer offering foreign products or production, to inform the SBA office in Chicago, and to immediately file a protest with the U.S. Army Engineers office in Chicago, against any award to Geo Optic & Paper Corp. A visit was made to the small business office in Chicago who also advised the immediate filing of a protest and who also said that under the terms of the invitation, and the regulations, an award could not be made to a firm offering foreign products or foreign produced products.

A protest dated May 4, 1960, against any award to Geo Optic & Paper Corp. was filed by Union Instrument Corp. The contracting officer of the U.S. Army Engineers office informed Union Instrument on May 18, 1960, that the Small Business Administration office in Washington, D.C., ruled on May 5, 1960, that the product being furnished by Geo Optic qualifies as a domestic product. Since the contracting officer is bound by interpretations of the Small Business Administration on Small Business "set aside procurement," an award was made to Geo Optic & Paper Corp.

This interpretation is contrary to all previous rulings of the Small Business Administration on items in which Union Instrument Corp. has had business, including a previous case of a proposal on the same item by Geo Optic & Paper Corp. and contrary to the decisions of the New York and Chicago offices of the SBA.

Union Instrument Corp. protests that the interpretations of the Washington office of the SBA is in violation of the terms of the invitation for bids. Also, that it is a violation of the SBA "small business set-aside" regulations. The language of the SBA "set-aside" regulations are clear, concise, and definite: and we cannot see how such an interpretation can be put into the regulations as stated.

#### DECISION OF SMALL BUSINESS ADMINISTRATION ON SMALL BUSINESS SET ASIDE PROCUREMENT

Union Instrument Corp. of 1447 East Second Street, Plainfield, N.J., submitted a proposal to the U.S. Army Engineer Procurement Office, Chicago, Ill., on April 15, 1960, on Invitation No. DA-ENG-11-184-60-B/E-485-JD, for (95) graduated steel straight edges at a total price of \$3,570.00. A competitive bid in the amount of \$2,876.50 was submitted by Geo Optic & Paper Corp. of New York, N.Y., a firm dealing in foreign import products.

Since Geo-Optic & Paper Corp. is an import firm, it was determined that they planned to have steel blanks made in this country, and then forward them to Germany for the large and important part of the production, that is, the calibrating, engraving, and finishing of the item.

The invitation contained the following provisions:

#### Notice of small business set aside

"Bids or proposals under this procurement are solicited from small business concerns only, and this procurement is to be awarded only to one or more small business concerns. This section is based on a determination by the contracting officer, alone or in conjunction with a representative of the Small Business Administration, that it is in the in-

terest of maintaining or mobilizing the Nation's full productive capacity in the interest of war or national defense programs, or in the interest of assuring that a fair proportion of Government procurement is placed with small business concerns. A small business concern is a concern that (1) is not dominant in its field of operation, and with its affiliates, employs fewer than (500) employees, or (2) is certified as a small business concern by the Small Business Administration. In addition to meeting these criteria, a manufacturer or a regular dealer submitting bids or proposals in its own name, must agree to furnish in the performance of the contract, supplies manufactured or produced in the United States, its territories, its possessions, or Puerto Rico, by small business concerns; provided, that this additional requirement does not apply in connection with construction or service contracts. Bids or proposals received from firms which are not small business concerns shall be considered nonresponsive."

This matter was discussed in a meeting on May 26, 1960, with Mr. James Mills of the Washington office of SBA, with Mr. S. Scavuzzo and Mr. Q. Johnson, of Union Instrument Corp. and Mr. A. Chodosh, attorney for the corporation. After a long discussion, Mr. Mills conceded that an error might have been made, but could not offer any means of correcting this error.

C

UNION INSTRUMENT CORP.,  
Plainfield, N.J., June 10, 1960.

The Honorable JOHN H. DENT,  
Old House Office Building,  
Washington, D.C.

MY DEAR MR. DENT: Enclosed you will find a copy of our official protest of a decision of the Small Business Administration in a case involving a nonmanufacturer who has been certified as entitled to preferential treatment under the Small Business Act, in spite of the fact that this nonmanufacturer proposes to furnish material which is manufactured in major part in a foreign country. This decision apparently contravenes paragraph 121.3-8(b)(2) of the regulations issued under the Small Business Act of 1958. A copy of the pertinent regulation is enclosed.

Existing regulations provide that a nonmanufacturer, in order to qualify for preferential treatment as a small-business concern, must agree to supply end items manufactured in the United States, its territories, its possessions, Puerto Rico, or the District of Columbia. No specific provisions concerning foreign source materials are contained in these laws or regulations with respect to manufacturers or producers who furnish material to the U.S. Government; with the result that the Small Business Administration has in interpretive decisions ruled that:

(a) Nonmanufacturers must, for preferential treatment, supply items wholly manufactured or produced in the United States, its territories, its possessions, Puerto Rico, or the District of Columbia, by small-business concerns. (To this interpretation there has been at least one exception, in which the Small Business Administration ruled that a nonmanufacturer was qualified for preferential treatment by furnishing the product of a firm which proposed to send materials to Germany for manufacturing and finishing operations.)

(b) Manufacturers or producers can qualify for preferential treatment if any part of what they propose to furnish is manufactured or produced in the United States—e.g., a manufacturer who imported cable, and whose sole operation in the United States consisted in cutting this cable to required lengths, was accorded certification by the Small Business Administration for preferential treatment under the Small Business

Act—and an official of the Small Business Administration has stated that pencils made in Japan and sharpened in the United States also would be qualified for such preferential treatment.

In a proposed amendment to the definition of small business concerns (Federal Register, April 16, 1960, p. 3341—copy of which is enclosed) the Small Business Administration recommends the addition to their regulations of a paragraph defining a "domestic product" as one in which the cost of foreign materials does not exceed 50 percent of the cost of all materials used; and recommends revision of these regulations to allow preferential treatment to both manufacturers or nonmanufacturers who offer "domestic products" as so defined.

The effect of this proposed change would be to relax existing restrictions imposed on nonmanufacturers with respect to foreign-made items, while limiting manufacturers or producers who receive preferential treatment to end items which are 50 percent or less of foreign origin. Thus, the door to American subsidization of foreign manufacturers and producers is to be opened with respect to import brokers; while the door which has been opened by administrative interpretations of the Small Business Administration with respect to importing manufacturers is to be fixed open at 50 percent.

Since the provisions of the "Buy American Act" already afford protection to domestic products at the 50 percent level proposed by the Small Business Administration, the only real change which would result if this amendment is accepted would be to permit nonmanufacturing concerns to furnish end items which are 50 percent foreign in origin, rather than domestic as required by existing regulations. The net effect will, therefore, be a reduction in the degree of protection now afforded American manufacturers and producers.

The Congress may wish to deliberate the matter with this in mind. Your comments and suggestions are solicited.

Very sincerely yours,

UNION INSTRUMENT CORP.  
S. SCAVUZZO, President.

D

LAFAYETTE BUILDING,  
Washington, D.C., April 21, 1960.

Proposed changes in the definition of small business for purpose of Government buying, designed to give preference to products containing chiefly United States-made materials, and other minor amendments, were announced today by the Small Business Administration.

The proposed changes apply only to the definition of "small business" under which firms may qualify for contract awards on Government purchases reserved for bidding by small firms, or involving other preferential treatment for small businesses seeking to sell their products or services to the Government.

Generally, under the present definition of a small business for purposes of selling to the Government, the Small Business Administration has considered a nonmanufacturing firm as small if it is individually owned and operated, not dominant in its field of operation, and has no more than 500 employees. If a firm is a nonmanufacturer it must in addition to the foregoing, supply a product manufactured in the United States by a small manufacturer.

The major proposed change in this definition is to bar firms from preferential treatment under the Small Business Act if the products they propose to sell to the Government consist of more than 50 percent of foreign-made materials.

Other changes require that concerns must be organized for profit and must be located in the United States in order to receive assistance from the Small Business Administration.

Persons wishing to comment on the proposed definition changes will have approximately 30 days in which to file their comments with the Small Business Administration.

Mr. Speaker, may I state at this time that if this new regulation becomes the law, the need for a Small Business Administration will no longer exist.

This country cannot regulate the size of the foreign manufacturer or the ownership of the foreign manufacturer who will produce the products sold by an American based firm whose ownership may also be foreign, under the protective covenants of the Small Business Administration Act.

Let us not fool either the American manufacturer or the American taxpayer. Let us face the true facts and at least save the taxpayer the taxes required to operate this administrative bureau and at the same time save the American manufacturer both embarrassment and money.

Just in case any crocodile tears are being shed for our worthy and friendly allies, the foreign producers, let us look at what is happening in defeated, devastated nations, our former mortal enemy, Germany, as well as others who benefit from our lending, spending programs financed by our American taxpayers including the under-bid American small businessman.

E

WHALEY-EATON SERVICE,  
Washington, D.C., June 7, 1960.

DEAR SIR: Obituaries for world inflation are just a bit premature, in spite of the optimism of such authorities as Monetary Fund Chairman Per Jacobsson. He thinks the inflation danger is about gone. But many skilled observers in West Europe aren't at all so sure. Pressures have certainly eased off dramatically in the United States, but Europe is riding the upside of a major boom.

The feeling is getting around that the sky's the limit—that expansion can continue almost indefinitely without a blowoff. So far West Europe's governments have shown luck and skill in their efforts to keep the boom from blowing up. But the roughest test is still ahead.

Pressure is building up in Europe at two strategic points—productive capacity and the labor supply. Most countries, but particularly Germany, simply cannot build new plants fast enough to cope with current and anticipated demand. At the same time, the labor supply is being stretched to the breaking point. Again, Germany feels this the most, but is not alone.

Competitive bidding for labor supplies is becoming common. This has an inevitable effect on wage costs. Employers aren't inclined to quibble about such things when they're confident of being able to market all their output and more—and to pass on higher costs to customers.

Typically, we've heard of a U.S. owned firm in Germany which is putting new plants in remote villages chiefly because untapped local labor was available. There are now about 10 vacancies for every 4 unemployed workers in Germany as a whole. Thousands of Italians have been brought in and an effort is under way to recruit others in Greece and Spain.

In Britain, job openings about equal the number of unemployed. Allowing for "frictional" unemployment and turnover, this means some areas are in for a worsening pinch. Even Italy has been hit by a shortage of trained technicians and engineers, though not of unskilled labor.

Switzerland reports more than twice as many vacancies as unemployed. The proportion of foreign workers (10 percent in machinery industries and up to 60 percent in construction) is rising fast. The Swiss, like the Germans, are out trying to recruit more labor, chiefly in Spain and Portugal.

The effect of labor shortages on wages is obvious: wages are heading up. Even in Germany, the redoubtable Dr. Erhard is saying that the climate is very favorable to wage increases. He says, too, that the economy is elastic enough to meet the needs of vigorous growth—provided, of course, that people don't lose their sense of proportion. That's the big question.

Conservative economists are worried over the danger that the boom atmosphere will prove too intoxicating, that restraint will be forgotten.

[From the New York Times, May 11, 1960]  
WEST GERMAN ECONOMY BOOMS, SAYS KRUPP  
AID VISITING UNITED STATES

(By Joseph Carter)

The West German economic boom is continuing virtually unabated, Berthold Beitz, second in command of the Krupp industrial empire, said on his arrival here yesterday.

He said there was full employment and that the West German economy was still able to absorb the flow of refugees from Communist-ruled East Germany.

One of the main purposes of his visit, Herr Beitz said, was to talk with leaders of American finance and industry. "You always go back a little more intelligent and better informed on industrial procedures and methods," he commented.

Herr Beitz emphasized that in his talks with businessmen here he would seek ways to collaborate with them in advancing the economies of underdeveloped countries.

"Such development programs are the job of private enterprise," he declared. "We at Krupp, and other West German industrialists, regard them as extremely important."

The 46-year-old chairman of the executive board of Krupp of Essen arrived on the liner *Bremen*. He said he planned to stay in this country about 10 days. With him was Count Claus Ahlefeldt Laurvig, representative in Britain and the Commonwealth of the industries headed by Alfred Krupp.

Herr Beitz said he planned to visit Washington, Detroit, and Richmond, Va. He added that he would talk with executives of the Ford Motor Co., General Motors Corp., Reynolds Metals Co., and the United States Steel Corp., among others. He indicated that he hoped to meet with officials of the Federal Government.

The industrialist emphasized that he was not here to sell steel but to exchange ideas with American leaders. He said he wanted to see the latest steel production methods here because "in that field you are the leaders."

Herr Beitz said that Krupp's relations with organized labor were excellent.

[From the German American Trade News]  
GERMANY'S PERSISTENT FOREIGN EXCHANGE  
SURPLUS

That it may be harder to spend money than to make it, is currently a problem of major economic significance for Germany. The condition arises out of the Federal Republic's persistent foreign exchange surplus. Internationally, this situation is viewed with misgivings by Germany's trading partners. Domestically, the surplus endangers the balanced development of the economy.

In an effort to remedy the situation Germany's Federal Bank has in recent months charted a course designated to meet national necessity on the one hand and to avoid likely foreign criticism on the other, in decreeing higher minimum reserve requirements for

German banks as well as a reduction in the rediscount quota (see GBW, Feb. 24). The bank did not resort to raising the discount rate, the common remedy, because such a move would have only served to create an influx of foreign funds attracted by higher interest rates.

#### TEMPORARY SOLUTION

In large part the surplus problem was solved by prepayments on foreign debt obligations, allocations to the World Bank, and so forth. Because these payments will not recur regularly Germany is faced in 1960 with the task of planning a program for the possibility that a surplus in the balance of trade in goods and services may be permanent. Writing in London's *Financial Times*, Dr. Hermann J. Abs, one of Germany's leading bankers, said: "It must not, however, be overlooked that it is a moot question whether the era of such surpluses is going to last for any great length of time. The position of Germany's overseas trade is not as strong as it might appear in the relatively favorable course of German exports during recent years. Even comparatively slight changes in the terms of trade might well—at least if the present high level of business activity recedes—cause a notable deterioration in the Federal Republic's position in world trade."

"Be that as it may, a progressive liberalization of imports will in any case be among the tasks with which Germany will have to cope."

On the other hand, what is Germany's position in regard to promoting export of capital? There are many who are prepared to support such a move particularly in the form of aid to underdeveloped countries and recommend therefore government guarantees, cheaper loans, and other facilities. However, Dr. Abs feels that there might be some complications in this respect because it is difficult to differentiate between capital exports promoted by governmental action for political and economic reasons, and capital exports undertaken strictly in consideration of economic factors without any artificial supports. "Presumably," said Dr. Abs, "the Germans would with certainty come in again for heavy criticisms on the part of other exporting countries if their capital exports were generally to be stimulated through government action."

Exports of German capital in various forms have been steadily on the increase in recent years. In regard to the future, Dr. Abs stated that West Germany's main concern is to assist underdeveloped countries in which conditions are sufficiently stable, however, such investments should not be undertaken with the intention to engage in a bitter competitive struggle with other industrial nations, but should conform to the scope of Germany's economic and financial potential and the tasks to be fulfilled in the underdeveloped countries.

What about the intensification of German investments within the Common Market?

"In my own view," said Dr. Abs, "it cannot be desirable, either economically or politically, to accord a general privilege to capital export within the European Economic Community. There are only two respects where certain privilege treatment might be justified. The Rome Treaty provides for capital contribution on the part of member governments toward helping economically weaker regions within the European Economic Community or its associated areas, this contribution to be channeled through the European Investment Bank. Provided this bank, as its bylaws proclaim and its management is clearly striving to do, models its activities on the excellent example of the World Bank, it might indeed produce a beneficial contribution toward strengthening the Commu-

nity, which no outside party could look upon as discriminating."

#### SATISFACTORY PROGRESS

"Moreover," continued Dr. Abs, "a complete liberalization of money and capital transactions, by agreements among governments, bankers, associations, and other parties concerned, may possibly come about in the European Economic Community more rapidly than could happen in a much larger area." In that event, however, it would be desirable, according to Dr. Abs, that the example of the EEC countries be imitated, that is to say that other nations should be prepared to free their capital exports and imports of restrictions in the same measure at the earliest opportunity.

No matter how these programs develop in detail, it is most important, said Dr. Abs, "that just as the European Economic Community must not be allowed to segregate itself under the aegis of monetary policy, so there must not be any obstruction of capital imports and exports of the partners to the Treaty from and to other countries. It seems to me that in this respect things have so far been going quite satisfactorily; the favorable trend in the foreign exchange reserves of all EEC countries during the past year has served to facilitate this."

#### TRIPLE PLAY

At the government level, plans are now being developed to solve the problem of Germany's foreign exchange surplus. These plans aim toward the establishment of a government-guaranteed fund which would perform a triple function:

1. In providing aid to underdeveloped nations.

2. In being financed through the sale of low-cost shares to the public which would have the advantage of draining money otherwise available for domestic spending and thus remove a stimulant for inflationary tendencies. The shares would pay progressively higher interest, starting at a level above that paid by savings banks. Banks would not be allowed to participate in such a subscription.

3. In exporting Germany's foreign exchange surplus the fund would realize its primary goal.

While these plans have been merely advanced in the form of ideas, they do reflect the current concern in Germany for the persistent foreign exchange surplus.

Mr. Speaker, in order that this Congress may have some idea of just how badly an American producer will fare if the proposed regulation goes into effect, let me quote from letters received from American small goods manufacturers who are now facing annihilation from foreign imports.

It is important to note that one recent news item really ought to awaken the sleeping American conscience—the one concerning a strike in Virginia and the demand of the union for protection against foreign production financed by the very same employer being struck here in the United States.

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A. G. SPALDING & BROS., INC.,  
Chicopee, Mass., May 24, 1960.

Mr. JOSEPH E. TALBOT,  
Chairman, U.S. Tariff Commission,  
Washington, D.C.

DEAR MR. TALBOT: It was good to talk to you on the phone the other day, and I shall look forward to receipt of the proposed tariff changes as soon as it is off the press.

I have recently received my copy of the 1959 Industry Census Report, and I want to tell you it shakes any American sporting-goods manufacturer right down to his heels.

We are preparing a formal case along the lines you suggested when I was in Washington with you and your associates on April 5. However, I want to expose you to a few quick figures drawn from the Government's own import data, and the sporting goods industry's 1959 census report, which shows the sales of domestic made sporting goods only.

#### Tennis rackets sold in the United States

Country of origin	Quantity, 1959	Quantity, 1958
Belgium.....	70,437	40,239
Japan.....	362,456	198,748
Pakistan.....	223,668	146,714
Others.....	65,848	75,480
United States.....	642,930	659,957

It is immediately apparent, then, that:

1. Tennis racket sales are increasing as the game gains in general popularity.

2. The gain in 1959 over 1958 was a substantial 21.9 percent.

3. The imported rackets now have over 50 percent of the total market.

In fact, imports had 52.8 percent of the total U.S. tennis racket market in 1959 as against only 41.5 percent in 1958.

Obviously, then, in the midst of a growing tennis racket market, with sales up 21.9 percent in the past year, U.S. manufacture of tennis rackets was down 2½ percent.

I have repeatedly said to you and your associates that United States businessmen are aware of world problems and in the interest of furthering the worldwide economic goals of the United States, most American businessmen would be willing to share the growth of our markets with other nations—this has, however, reached the point where the imports have all of the growth and part of the original body.

Warning: Every indication is that 1960 will make 1959 look like a real good year for U.S. tennis racket manufacturers. Production is way down for 1960 and further declines are forecast for 1961.

#### Badminton rackets sold in the United States

Country of origin	Quantity, 1959	Quantity, 1958
West Germany.....	46,132	91,405
Belgium.....	428,631	377,063
Japan.....	7,099,145	3,885,161
Pakistan.....	213,719	721,477
Others.....	192,251	159,481
United States.....	734,139	852,895

It is immediately apparent that through the past several years, the badminton racket business has gone into the hands of imported rackets.

Let's look at some of the quick facts.

1. Badminton racket sales are up in the United States. The game's popularity is increasing.

The gain in badminton racket sales in 1959 over 1958 sales was over 43 percent.

2. Imported badminton rackets had over 91.6 percent of this total in 1959, as against 86 percent of the total market in 1958.

3. In the middle of a sensational 43 percent gain in badminton racket sales in the United States, the U.S. manufacturers' share of this market fell from 14 to 8.4 percent.

The U.S. badminton business, which has for years been plagued with imports, now finds itself making 16½ percent less badminton rackets in a year when the sales of badminton rackets are up 43 percent.

Warning: Every indication is that 1960 will be much worse and that 1961 may well see the abandonment of badminton manufacture in the United States unless very fast

and substantial relief is granted the American manufacturers.

#### Baseball gloves and mitts sold in the United States

Country of Origin	Quantity, 1959	Quantity, 1958
Japan.....	1,283,959	557,466
(Other countries not known).....		
United States.....	1,962,168	2,309,436

1. It is apparent that the total sales of baseball gloves and mitts in the United States went up from 2,866,902 pieces in 1958 to 3,245,127 in 1959. This is an increase of 378,225 mitts and gloves, or 13.2 percent increase.

2. In this period, gloves and mitts imported from Japan increased by 726,493, or 130 percent.

3. In this period, the sales of U.S. manufactured gloves and mitts declined from 2,309,436 in 1958 to 1,962,168 in 1959, or a decline of over 15 percent.

4. At the end of 1958, Japanese imports accounted for 19.4 percent of total baseball glove and mitt sales.

At the end of 1959, this had become 39.5 percent.

In 1 short year the imported baseball gloves and mitts took another 20 percent of our total U.S. market.

American production fell off over 15 percent while total sales went up by 13.2 percent.

The conclusion is absolutely obvious.

Unless the Escape Clause is invoked very quickly the U.S. manufacture of tennis rackets, badminton rackets, and baseball gloves and mitts will cease; those people now engaged in their manufacture will join the hundreds already forced out of work by the imports in the ranks of the unemployed and another segment of the American industry will have been sacrificed on the altar of "world trade."

Is this going to happen?

Yours very truly,

EDWIN L. PARKER,  
President.

A. G. SPALDING & BROS., INC.,  
Chicopee, Mass., June 2, 1960.

Hon. JOHN H. DENT,  
House of Representatives,  
Washington, D.C.

DEAR MR. DENT: I hope you will take the time to read the attached copy of my letter of May 24 to Mr. Joseph E. Talbot, Chairman of the Tariff Commission.

I am sending it and this letter to you as the president of the largest exclusive sporting goods manufacturer in the world, and as the chairman of the Import Committee of the Athletic Goods Manufacturers Association.

I want to emphasize here, as I do in my letter to Mr. Talbot, that ours is not a radical group, demanding that imports stop, etc.

So sure are we that our American welfare and world-at-large welfare cannot be fully separated that we are ready to share part of our industry's growth with manufacturers from other countries.

It is when we lose so much of the existing market that we find ourselves making and selling less units of sporting goods items in important, rapidly growing areas such as baseball, tennis, and badminton that we begin to realize that this has gone much too far.

Our economic health and the employment of our personnel are seriously affected when we not only are completely excluded from

the market growth but actually lose a substantial part of the original smaller market.

Ours is a peculiarly vulnerable industry due to the high percentage of hand labor unavoidably necessary in our production.

Besides the items listed in my letter to Mr. Talbot, U.S. golf ball manufacturing industry is 100 percent vulnerable and is being very hard hit in 1960.

Our own governmental agencies, which bought Japanese tennis rackets in 1959, bought Japanese golf balls this spring.

I urge your immediate serious consideration of these important problems affecting this industry.

The very minimum relief our industry needs for survival is the invocation of the escape clause in the Tariff Act.

Your help is needed—urgently.

Yours sincerely,

EDWIN L. PARKER,  
President, A. G. Spalding & Bros., Inc.

Mr. Speaker, if we need any more proof, let us hold hearings, tear apart the shrouds of secrecy on foreign spending under mutual security, investigate foreign loans, check on who gets profits from foreign production, the effect on our employment, the extent of our enmeshment with private capital and profits in foreign countries, and check on whether we are buying peace or war with our trade-and-aid programs.

No man wants peace more, but no man wants to know for sure if we are getting peace as a harvest or reaping the wild wind.

Following are just a few samples of the results of our policies.

The protest I attach concerns me greatly for as a young man I worked in the plant in my hometown of Jeannette, Pa., that produced the largest U.S. production of tennis balls.

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JEANNETTE, PA., June 14, 1960.

Hon. JOHN H. DENT,  
Old House Office Building,  
Washington, D.C.:

In negotiations by U.S. Government under 1958 Trades Agreement Extension Act we feel the proposed items listed on schedule 15, more particularly subparagraph 1502, would do considerable amount of damage to our company. Domestic competition has already created unfavorable atmosphere for athletic balls and tennis balls. Granting further concessions to importers could more adversely affect production and tend to reduce employment in our factories. Any assistance you can render toward defeating this proposal will benefit economy of area in which our factories are located.

THE GENERAL TIRE & RUBBER CO.,  
P. C. MATHEWSON.

JUNE 15, 1960.

U.S. TARIFF COMMISSION,  
Washington, D.C.:

On advice from the General Tire & Rubber Co., manufacturer of tennis balls in my district, I am protesting any action that would in any way reduce tariffs or grant further concessions to foreign-made tennis balls. This industry is very vital to the health and welfare of my community. Serious economic consequences to all concerned will follow any action by GATT and the Tariff Commission that will, in any way, make it more difficult for domestic industry to compete with low-wage, low-standard producers. Statistical data will follow.

JOHN H. DENT,  
Member of Congress.